DOMINION OF CANADA

OFFICIAL REPORT

OF

DEBATES
HOUSE OF COMMONS

SIXTH SESSION—SEVENTEENTH PARLIAMENT

25-26 GEORGE V, 1935

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CANADA

House of Commons Debates

OFFICIAL REPORT

Thursday, January 17, 1935

SIXTH SESSION—SEVENTEENTH PARLIAMENT—OPENING

The parliament which had been prorogued from time to time to the 17th day of January, 1935, met this day at Ottawa, for the dispatch of business.

The house met at three o'clock.

Arthur Beauchesne, Esquire, M.A., K.C., C.M.G., the Clerk of the House, read to the house a letter from the Governor General's secretary informing him that the Chief Justice of Canada, in his capacity as Deputy Governor General, would proceed to the Senate chamber on Thursday, the 17th of January, at 3 p.m., to open the session.

SPEAKER OF THE HOUSE

RESIGNATION OF MR. GEORGE BLACK AND ELECTION OF MR. JAMES LANGSTAFF BOWMAN

Right Hon. R. B. BENNETT (Prime Minister): It is my unpleasant duty to announce to this house that the Honourable George Black, our Speaker, has resigned by writing dated the 15th January, 1935, as follows:

Sir:

I find it necessary to ask the House of Commons to allow me to retire from the chair.

In laying down the great office to which the House of Commons has called me, I trust that I can hand down its traditions unimpaired. If I have been able to discharge my official duties with any degree of success, it is because I have received the help and support of all my colleagues, for which I desire to express my sincere thanks.

Yours sincerely,

George Black.

I of course am not permitted by the rules of the house to address my remarks to any official, for as members of the House of Commons we all stand on an equality. It will therefore be necessary for us to proceed with the election of a speaker, which we shall do in due course after the formalities which have obtained through the centuries have been complied with.

A message was delivered by Major A. R. Thompson, Gentleman Usher of the Black Rod, as follows:

Members of the House of Commons:

His Honour, the Deputy of His Excellency the Governor General, desires the immediate attendance of this honourable house in the chamber of the honourable the Senate.

Accordingly the house went up to the Senate chamber, when the Speaker of the Senate said:

Honourable Members of the Senate:

Members of the House of Commons:

I have it in command to let you know that His Excellency the Governor General does not see fit to declare the causes of his summoning the present Parliament of Canada, until the Speaker of the House of Commons shall have been chosen according to law, but this afternoon, at the hour of three-thirty o'clock in the afternoon, His Excellency will declare the causes of calling this parliament.

And the Members being returned to the Commons Chamber:

ELECTION OF SPEAKER

Right Hon. R. B. BENNETT (Prime Minister): Mr. Beauchesne, the unfortunate circumstance to which I have already alluded renders it necessary that this Commons House of Parliament should proceed with the election of a Speaker.

I therefore, propose, seconded by Mr. Guthrie:

That, James Langstaff Bowman, member representing the electoral district of Dauphin, do take the Chair of this House as Speaker.

I need hardly remind hon. members that the office of presiding officer of this House of Commons is one of the greatest importance. It involves the discharge of great responsibilities, holding the scales of justice even between contending parties, and the administration of the rules of the house in a manner that accords with the traditions and customs of parliament. It is not difficult to maintain order in the House of Commons—it should not be. That portion of the duties of a Speaker is easy to discharge. But the administration of the rules, which are nothing more than the means by which the members of parliament have

themselves determined that their proceedings shall be governed and their deliberations controlled, is sometimes most difficult. In moving that Mr. Bowman, the member for Dauphin, do take the chair as Speaker, I believe that we have in him a fairminded gentleman who will administer the rules of this house fairly, dispassionately, and in a manner consistent with the great traditions of this parliament and of the mother of parliaments, whose rules in part govern where ours are silent.

I will not longer detain the chamber than to express my trust that the nomination which has been made may commend itself to the members of the house as a whole and that in the discharge of his onerous duties he may have the assistance and good-will of every member of this chamber.

Right Hon. W. L. MACKENZIE KING (Leader of the Opposition): I have much pleasure in endorsing what the right hon. the Prime Minister has just said with respect to the qualifications of the hon. member for Dauphin for the position of Speaker of this house. Hon. gentlemen opposite will have observed from the applause which greeted the nomination that all hon. members on this side very cordially approve of the choice which evidently accords with the mind of the government from the fact that the Prime Minister made the motion. I am sure the hon. member for Dauphin will feel that it is quite an exceptional compliment that, having been a member of this house for but one parliament, his conduct in the course of debate and his demeanour in the house generally have been such as to inspire that unanimous regard to which expression has just been given. I can wish him nothing better than that he may fill this high office in accordance with the best of its traditions.

The Clerk of the House declared the motion carried in the affirmative, nemine contradicente, and Hon. James Langstaff Bowman, member for the electoral district of Dauphin, duly elected to the chair of the house.

Honourable Mr. Bowman was conducted from his seat in the house to the Speaker's chair by Right Hon. R. B. Bennett and Hon. Hugh Guthrie.

Mr. SPEAKER-ELECT said: Fellow members of the House of Commons, may I say that I deeply and sincerely appreciate the very flattering remarks of the Prime Minister of Canada and the kindly and generous words of the leader of the opposition.

I beg respectfully to thank hon. members of the House of Commons for the honour they have conferred upon me in unanimously electing me as their Speaker, and I can assure the house that I will use my best endeavours to discharge the duties attached to my office with justice and impartiality. I appeal to hon. gentlemen on both sides of the house when I say that I feel sensible of my inability efficiently to discharge those duties, and I ask hon. gentlemen for their earnest, kind cooperation in the preservation of the rights, privileges and duties attached to the House of Commons.

OPENING OF THE SESSION

Mr. SPEAKER read a communication from the Governor General's Secretary announcing that His Excellency would proceed to the Senate chamber at 3.30 p.m. on this day for the purpose of formally opening the session of the dominion parliament.

Mr. MACKENZIE KING: Mr. Speaker, is it not customary for His Honour the Speaker to read prayers every day at the meeting of this house before any business is entered upon? I believe that such is in accordance with the rules of the house. The observance of this rule would appear to be especially appropriate and desirable on the first day of a new session.

Mr. SPEAKER: I have been informed that there is not time on account of His Excellency being received at any moment. It is a question of time.

Mr. MACKENZIE KING: There is no time like the present.

A message was delivered by Major A. R. Thompson, Gentleman Usher of the Black Rod, as follows:—

Mr. Speaker, His Excellency the Governor General desires the immediate attendance of this honourable house in the chamber of the honourable the Senate.

Accordingly the house went up to the Senate chamber.

And the house being returned to the Commons chamber.

Prayers.

VACANCIES

Mr. SPEAKER: I have the honour to inform the house that during the recess notifications have been received from several members that the following vacancies had occurred in the representation namely:

Of Hon. Peter Heenan, member for the electoral district of Kenora-Rainy River, by resignation;

Of Hon. William Anderson Black, member for the electoral district of Halifax, by decease;

Of Walter Davy Cowan, Esquire, member for the electoral district of Long Lake, by decease;

Of Joseph Arthur Denis, Esquire, member for the electoral district of St. Denis, by decease;

Of George Brecken Nicholson, Esquire, member for the electoral district of Algoma East, by decease.

And that new warrants were issued to the chief electoral officer to make out new writs of election for the said electoral districts respectively.

NEW MEMBERS

Mr. SPEAKER: I have the honour to inform the house that the clerk of the house has received from the chief electoral officer certificates of the election and return of the following members, viz:

Of Wilson Henry Mills, for the electoral district of West Elgin.

Of Thomas Langton Church, for the electoral district of East Toronto.

Of William Pate Mulock, for the electoral district of North York.

Of Hugh Bathgate McKinnon, for the electoral district of Kenora-Rainy River.

Of Colin Alexander Campbell, for the electoral district of Frontenac-Addington.

NEW MEMBERS INTRODUCED

Thomas Langton Church, Esquire, member for the electoral district of East Toronto, introduced by Right Hon. R. B. Bennett and Hon. Mr. Guthrie.

William Pate Mulock, Esquire, member for the electoral district of North York, introduced by Right Hon. W. L. Mackenzie King and Hon. Mr. Elliott.

Colin Alexander Campbell, Esquire, member for the electoral district of Frontenac-Addington, introduced by Right Hon. W. L. Mackenzie King and Hon. Mr. Elliott.

Wilson Henry Mills, Esquire, member for the electoral district of West Elgin, introduced by Right Hon. W. L. Mackenzie King and Hon. Mr. Elliott.

Hugh Bathgate McKinnon, Esquire, member for the electoral district of Kenora-Rainy River, introduced by Right Hon. W. L. Mackenzie King and Hon. Mr. Elliott.

OATHS OF OFFICE

Right Hon. R. B. BENNETT (Prime Minister) moved for leave to introduce Bill No. 1, respecting the administration of oaths of office.

Motion agreed to and bill read the first time.

GOVERNOR GENERAL'S SPEECH

Mr. SPEAKER: I have the honour to inform the house that when the house did attend His Excellency the Governor General this day in the Senate chamber, His Excellency was pleased to make a speech to both houses of parliament. To prevent mistakes I have obtained a copy which is as follows:

Honourable Members of the Senate:

Members of the House of Commons:

I welcome you at a time when our country stands upon the threshold of a new era of prosperity. It will be for you, by your labours, to throw wide the door.

During the past year the grip of hard times has been broken. Conditions show marked improvement. Employment is increasing. Our trade is expanding. The national revenues are higher. These evidences of recovery attest the wisdom and efficacy of the measures you have taken. In these improved conditions, there may now successfully be carried forward those great tasks of reform upon which the well-being of this country depends.

In the anxious years through which you have passed, you have been the witnesses of grave defects and abuses in the capitalist system. Unemployment and want are the proof of these. Great changes are taking place about us. New conditions prevail. These require modifications in the capitalist system to enable that system more effectively to serve the people. Reform measures will therefore be submitted to you as part of a comprehensive plan designed to remedy the social and economic injustices now prevailing, and to ensure to all classes and to all parts of the country a greater degree of equality in the distribution of the benefits of the capitalist system.

Upon this plan you have made a beginning.

Reform measures approved by you at the last session of parliament are already in successful operation. I observe with especial gratification the manner in which the Natural Products Marketing Act and the Farmers' Creditors Arrangement Act are already serving the great and urgent needs of agriculture and other primary industries. You will be invited to consider amendments to these acts which will extend the sphere of their usefulness. The organization of the Bank of Canada is nearing completion, and it will commence operations at an early date. My ministers are convinced of the value of this institution as an instrument of national policy to direct the better utilization of the credit resources of Canada.

Legislation enacted at the last session of parliament respecting the metallic coverage of our note issue and the initiation of the public works program have eased credit conditions and stimulated business enterprise.

Better provision will be made for the security of the worker during unemployment, in sickness, and in old age.

The measures taken respecting public and private debts have done much to lighten the burden of the taxpayer and to improve the position of the farming community. My ministers are now engaged upon a survey of the national debt structure to determine what action may be practicable and advisable to effect further improvement in it.

You will be invited to enact legislation to extend existing facilities for long term and intermediate credit.

During the past year, wider markets for our products have been secured. A supplementary trade agreement has been negotiated with the Republic of France. The trade agreement with Austria has been renewed. Negotiations with the government of Poland, which it is hoped will lead to the conclusion of a comprehensive commercial convention, are in progress. It is the policy of my ministers to pursue vigorously every opportunity by which our world trade may be increased. The policy of my government of consolidating and expanding empire markets will be vigorously pursued.

A royal commission has been appointed to advise my ministers upon the steps which should be taken to implement the findings of the Duncan commission.

Pursuant to the agreement made between the government of Canada and the governments of Saskatchewan and Alberta, royal commissions have been appointed to determine what, if any, compensation is payable to these provinces in respect to the period since 1905, in which their natural resources were under the control of the government of Canada.

My ministers are cooperating with the governments of the prairie provinces in a survey of those areas which have been stricken by recurring periods of drought, for the purpose of determining what steps may be taken to provide a permanent solution to this grave problem.

Action will be taken to ameliorate the conditions of labour, to provide a better and more assured standard of living for the worker, to secure minimum wages and a maximum working week, and to alter the incidence of taxation so that it will more directly conform to capacity to pay.

You will be invited to enact measures designed to safeguard the consumer and primary producer against unfair trading practices and to regulate, in the public interest, concentrations in production and distribution.

You will be invited also to enact measures to provide the investing public with means to protect itself against exploitation.

You will be invited to enact legislation to amend and consolidate the acts relating to patents and inventions.

My government has under consideration the adoption, throughout the penitentiaries of Canada, of a system similar to that which is known in England as the "Borstal System," and is making investigations as to its operation.

My ministers have under preparation a plan for the reorganization of the government services so that they may be better equipped to discharge the onerous duties which devolve upon them. You will be invited to consider measures, the purpose of which will be to authorize the first stage in this plan of reorganization.

[Mr. Speaker.]

You will be invited to authorize the constitution of an economic council, the functions of which will be to advise my ministers upon all economic questions which concern the national welfare.

The four hundredth anniversary of the landing of Jacques Cartier was fittingly commemorated in the chief centres connected with his voyages of discovery. Representatives of the governments of the United Kingdom, France, and the United States, took part. The celebration and the visit of a large and distinguished mission from France knit new bonds of understanding.

The maintenance of peace and the good understanding between nations upon which peace depends, have been the constant concern of my ministers. There are definite signs that the political tension and unrest in Europe which have intensified rivalry in armaments and economic restrictions, are lessening, largely as a result of the renewed determination to make use of the agencies of conciliation and cooperation provided by the League of Nations. It will be the object of my government to support this policy and to work towards the progressive reduction of armaments and the stabilization of international economic relations.

The year 1935 will be memorable for all subjects of His Gracious Majesty King George V. On the 6th of May, we shall celebrate, throughout the British Empire, the 25th Anniversary of His Majesty's Accession to the Throne. On that day, all of us will wish to unite in an act of thanksgiving to Almighty God for having thus preserved His Majesty, whose wisdom and devotion to the well-being of his subjects have proved so inestimable a blessing. My ministers are considering means, shortly to be announced, by which the people of Canada may be afforded an opportunity of suitably commemorating this great landmark in the history of our empire, and of testifying their loyal devotion to their beloved Sovereign.

Members of the House of Commons:

The public accounts for the last fiscal year, and the estimates for the coming year, will be submitted to you at an early date.

Honourable Members of the Senate:

Members of the House of Commons:

I know you will be diligent and resolute in the country's service. Though the problems which confront you are, in essence and degree, far different from those which in the past you overcame, I know that these present ones you will surmount with the same spirit of faith and determination which has carried Canada to a forward place among the nations.

May God give you strength to support, by your unremitting labours, this great movement towards happier days.

Right Hon. R. B. BENNETT (Prime Minister moved:

That the speech of His Excellency the Governor General to both houses of parliament be taken into consideration on Monday next.

Motion agreed to.

SELECT STANDING COMMITTEES

Right Hon. R. B. BENNETT (Prime Minister) moved:

That a special committee be appointed to prepare and report with all convenient speed, lists of members to compose the select standing committees of this house, under standing order 63, said committee to be composed of Messrs. Rhodes, Dupré, Simpson (West Algoma), Stewart (West Edmonton), and Casgrain.

Motion agreed to.

INTERNAL ECONOMY COMMISSION

Right Hon. R. B. BENNETT (Prime Minister) presented the following message from His Excellency the Governor General:

The Governor General transmits to the House of Commons a certified copy of an approved minute of council, appointing the Right Honourable Sir George H. Perley, Minister without Portfolio; the Honourable Donald M. Sutherland, Minister of Pensions and National Health; the Honourable Thomas G. Murphy, Minister of the Interior and Superintendent of Indian Affairs; and the Honourable Maurice Dupré, Solicitor General, to act with the Speaker of the House of Commons as commissioners for the purposes and under the provisions of chapter 145 of the Revised Statutes of Canada, 1927, intituled, "An Act respecting the House of Commons."

LIBRARY OF PARLIAMENT

Mr. SPEAKER: I have the honour to lay before the house the report of the joint librarians of parliament.

On motion of Mr. Bennett the house adjourned at 5.05 p.m.

Friday, January 18, 1935

The house met at three o'clock.

ELECTORAL LISTS

On the order for motions:

Hon. C. H. CAHAN (Secretary of State): Mr. Speaker, on the order for motions, may I be permitted to reply to the inquiry made by the right hon. leader of the opposition (Mr. Mackenzie King) at yesterday's session. Pursuant to the provisions of section 46 of the Dominion Franchise Act of last session, the dominion franchise commissioner commenced on November 20 last to deliver to the king's printer copies of the lists of electors for the several electoral districts of Canada as they were severally prepared, with directions to the king's printer for the printing of the same.

These lists comprise approximately 6,000,000 names of electors, of which about 1,000,000 names are now set up in type, although the printing of departmental reports, in English and French, for presentation to parliament, has been given precedence over other work. The printing bureau, in addition to its other work, is now setting up in type about 75,000 names per day, so that in the ordinary course, without grave accidents to the equipment of the bureau, the composition should be completed early in April, and the printing of the lists should be completed about April 15 next.

This date will permit the printed electoral lists to be distributed to the registrars of electors in the several electoral districts, so that, as provided in section 20 of said act, the annual revision of the electoral lists may commence on May 15 next.

MINISTERIAL CHANGES

On the order for motions:

Right Hon. R. B. BENNETT (Prime Minister): Mr. Speaker, I desire to advise the house that during the recess the Hon. H. H. Stevens, Minister of Trade and Commerce, resigned his office, and that on the 17th day of November last Mr. R. B. Hanson, member for York-Sunbury, having been previously sworn of the privy council, was appointed Minister of Trade and Commerce. The Hon. Murray MacLaren resigned his office as Minister of Pensions and National Health, and on the 17th November the Hon. D. M. Sutherland, the then Minister of National Defence, was appointed Minister of Pensions and National Health. On the same date the Hon. Grote Stirling, member for Yale, having been previously sworn of the privy council was appointed Minister of National Defence. The correspondence I now table.

Mr. POULIOT: I rise to a point of order. Would it not have been proper to make that statement before the ministers tabled the reports of their departments?

Mr. BENNETT: Undoubtedly it would have been, and I intended to do so, but a minister rose before I could speak. There is no point of order, however; it is purely a matter of the custom of the house.

Mr. MACKENZIE KING: Did not the Prime Minister himself as Secretary of State for External Affairs table the first report?

Mr. BENNETT: I did, yes.

Mr. MACKENZIE KING: Yes, I thought the Prime Minister tabled the first report.

Mr. BENNETT: Yes, but the hon. member referred to "ministers" and "reports of

their departments." The point was that before they addressed the house the Prime Minister should have intimated the changes.

Mr. POULIOT: If they rose before they should have, it shows they have no discipline

Mr. McINTOSH: We will discipline them all right.

TRIBUTES TO DECEASED MEMBERS

THE LATE JOSEPH ARTHUR DENIS—THE LATE HON. WILLIAM ANDERSON BLACK—THE LATE WALTER DAVY COWAN—THE LATE GEORGE BRECKEN NICHOLSON

Right Hon. R. B. BENNETT (Prime Minister): Mr. Speaker, since last we met the grim reaper seems to have gathered a greater harvest than usual. In the interim four of our members have passed to the great beyond. I must first offer my sympathy tc the right hon. leader of the opposition (Mr. Mackenzie King) and his colleagues in the loss of one of their members, namely the late member for St. Denis. I was not privileged to know Doctor Denis very well, but I used to see him frequently and upon those occasions passed the time of day. I believe however one might state truthfully that he was a very constant attendant in this chamber and followed the debates with great interest and care. That he was a loyal party man there can be no question, and that he was held in high esteem in the community in which he lived is evidenced by the fact that he was returned as the member for the constituency of St. Denis in 1921, 1925, 1926 and 1930. He was thirteen years in this house and in point of service was becoming one of its oldest members. On behalf of the government and myself I should like to express our very warm sympathy to the family in the great bereavement they have suffered by reason of one so young having been called. I offer also to the leader of the opposition and to his colleagues the sympathy of those sitting on this side of the house in their loss of a loyal and devoted colleague.

In point of time the next of our members who passed was the senior member for the city and county of Halifax. The late Hon. William Anderson Black was the oldest member of the House of Commons. Although he did not come to parliament until late in life he had been a very active business man and was closely associated with the growth and development of the city of Halifax and the province of Nova Scotia. He was interested in all commercial pursuits, had a strong individualist turn of mind, and was always frank in expressing his opinions. He was an authority on shipping, and as a governor of Dalhousie university he took a keen interest in educational matters and especially in the commercial department of that institution of learning. The late Mr. Black was held in the highest possible esteem not only by the citizens of his own community and the people of the province in which he lived, but by those throughout Canada who knew him. For a short period of time he served the crown as a minister, and although he had then passed the three score years and ten he showed great interest and activity in the discharge of the duties of his office, indicating that his years did not in any sense determine his age or his outlook upon the problems of life. He will be missed not only by hon. members on this side but, I believe, by all members in this house who had the privilege of knowing him, and by those who had met him in that wider sphere of business activity in which he had continued as long as his health permitted. His place will not easily be taken. I express the opinion of my colleagues to which the hon. member sitting to my left (Sir George Perley) has already given public expression when I state that in the death of Mr. Black we have lost a very valuable friend, a devoted supporter, and a great citizen of the province in which he lived and of the dominion of which he was so proud.

In point of date the next hon. member who passed from our midst was Doctor Walter Davy Cowan, who sat for the constituency of Long Lake. When I first went to the city of Regina in 1898 to attend the sittings of the Northwest legislature the late Doctor Cowan was a resident of that city. A more kindly hearted man it would be difficult to conceive, and I believe he was much misunderstood by some of our friends in this chamber. He was a tolerant and broad-minded man, but one who held strong convictions which he never for a moment failed to express. I believe the kindliness of his disposition might best be explained by a little story which I shall now repeat. He was a practising dentist, occupying a very high position in his profession, and when the dental organization became dominion wide for a long time he held the position of secretary. By reason of his office he found it necessary to relinquish much of his practice. I learn from what I regard as sound authority that when his books of account were examined after the late member's death they found that in order that there might be no possible chance of those whom he had attended being harassed he kept their names

in his books of record in terms such as this: "The man with the grey overalls." Some service had been rendered to that man, but the entry had been made as I have indicated so that by no chance could his personal representatives after his decease determine the name of the debtor or endeavour to secure payment of the outstanding account. That I believe is typical of the man. He was warm hearted and conscientious, he was a good citizen and one who occupied a very important position in the dental profession of our country. The late Doctor Cowan will be mourned by a very wide circle of friends in the communities in which he had lived. I suppose it is within the knowledge of hon members that when he lost the devoted companion of many years of his life he ceased to take a great interest in public affairs, and I am quite certain the death of his wife hastened his own demise.

The last of our members to leave us was George Brecken Nicholson, the late member for the constituency of East Algoma. Born in Prince Edward Island, early in life the late Mr. Nicholson came to what was then called the western part of Canada. In those days any part of the country beyond the northern boundaries of New Brunswick was known as Canada West. He had been associated with the building of a section of the Canadian Pacific railway, and had always been proud of the fact that he continued to carry his union card. I believe that for a short period he was a fireman, and rejoiced in the fact that he retained his standing in the union organization. The late member was deeply interested in the growth of the community in which he lived, namely, the town of Chapleau. His business expanded to the point where in the latter days of his life he controlled a very large enterprise employing great numbers of men. He was a man I think at times much misunderstood. He was blunt of speech, strong in his convictions, determined in his ways, those who knew him and lived in the community in which he resided or in the district which he represented always spoke of him in warm and kindly terms. I recall reading in an Ottawa newspaper a letter from a correspondent written after he had passed, and I thought then, as I still think, that if any of those who knew us could speak in terms such as that correspondent used, we must indeed have been something out of the ordinary to warrant it. In public affairs Mr. Nicholson was, of course, deeply interested. He was a strong adherent of the church of his choice and took a very active part in organizing many funds which will long ensure his being remembered. In this house he took a fair part in debates, and expressed himself in terms as strong as were warranted by the convictions which he held. To those of us who sit on the right, news of his death brought to us a sense of real, personal sorrow. I might add that in the last conversation I had with him, only a few days before he passed to the great beyond, he was discussing a means by which he could better serve the country and assist the party to which he belonged.

I cannot take my place without indicating that one of the saddest circumstances connected with the office of the Prime Minister is that year after year as we gather here we realize how great the mortality is amongst our members. I think that since we were elected we have lost twelve members of this house—that is my recollection—out of 245, a rather large number. It reminds us not only of the uncertainty of life but also, and especially in view of the fact that at least one of them was a fairly young man who was called suddenly, that members of parliament are subject, it seems to me, to perhaps a higher mortality than a similar number of men engaged in the ordinary vocations of life.

I would ask you, Mr. Speaker, to convey to those who mourn, the sympathy of this house in their great bereavement, and I am sure that I voice the sentiments not of a party but of all of us when I say we deeply regret the passing of our colleagues and hope that they have passed to a reward which is not dependent upon popular favour.

Right Hon. W. L. MACKENZIE KING (Leader of the Opposition): Mr. Speaker, the Prime Minister has just referred in feeling terms to the extent of the mortality of the membership of this house. He has mentioned that in the course of the present parliament no less than twelve members have been taken from our midst. His remarks come with added emphasis when we recall that no fewer than four of that number have been taken away in the short time that has elapsed since the prorogation of this house in July last. I am sure that none of us assembled here at that time ever thought that there would be owing to death such a number of vacancies in the membership of this House of Commons when parliament reassembled. I do not remember a year when the house in the interval between sessions suffered so large a loss in its membership.

It is, I think, worthy of note that all of those who have been taken were members for a considerable period of time. All four

had been in parliament during two or more parliaments, and occupied seats in this house for eight or more years. In the case of one, there was a membership of eleven years, and of another of thirteen. All for a much longer period of time had been active, and had participated in many party conflicts. It can be said that, without exception, each had given a considerable part of his life to public service in one representative position or another, and that each occupied a very prominent position in the affairs of his party in his native province, and, one of the number, a quite exceptional position in the public and business life of the dominion.

It is not without significance that the Angel of Death, in his flight over the membership of this house, should have been no more the respecter of provinces, than of persons. We meet to-day under the shadow that his wing has cast across the sea-girt provinces of the east, the highly industrialized central provinces of Quebec and Ontario, and the prairie provinces of the great west.

Of the four, to whose memories we would pay our humble tribute before entering upon the duties and controversies of the session, three were members of the Conservative party and have been taken from the ranks of hon. gentlemen opposite. I hasten to express to the Prime Minister, as he has kindly done to me, my deep sympathy for him in the loss which he has sustained in the passing of so many loyal and able colleagues, and that sympathy I should like to extend upon behalf of the entire official opposition to all hon. members of his party in what is also their loss. To them the loss is political as well as personal. We on this side who enjoyed in greater or less measure the friendships of one or other or of all three, will share what they experience of personal loss; and we are glad to join in the tribute deservedly paid by the Prime Minister to their public service and achievements.

What that service has been, and what these accomplishments were, you have already heard in part. I shall not attempt to repeat the record. With respect to each of the late members I should, however, like to add just a word.

As the Prime Minister has said, the late member for Halifax, in point of years though not of membership in the house, enjoyed, at the time of his death, the distinction of being Canada's oldest commoner. It was a distinction of which anyone might be justly proud. It was something more than a distinction where, as in the case of the Hon. William A. Black, it crowned a life that already was full of years, and full of wide and varied disinterested public service.

In these days, when many are beginning to lose their respect for years, and the experience and wisdom which comes with years, it is worth while to recall that it was at the age of 76 that Mr. Black entered federal politics; that, between the ages of 76 and 86, when he died, he had participated in no less than four political contests, three of them general campaigns, and been returned four times as a member of parliament, and that, until his days on earth were ended, he never ceased to be active in the affairs of his party and the country, and never ceased to enjoy the admiration and great regard of members of all political parties in the house.

The late member for Long Lake, Doctor Walter D. Cowan, was scarcely less of an example of high and persistent endeavour. It was not because of labour continued to a great age, though he lived and remained remarkably active up to the age of 68, but because of the fortitude with which, after many years of unselfish service in a variety of directions, he bore one handicap after another in his determination not to permit bodily suffering or infirmity to conquer a spirit devoted to public service and the well-being of his fellowmen. And it was not his fortitude only, and his persistence that were so praiseworthy, but the cheerfulness with which everything in the nature of misfortune or suffering was borne. It never embittered, but if anything softened his nature. I share in all that the Prime Minister has said so feelingly about the late member for Long Lake.

Dr. Cowan knew that most of us on this side had a cordial dislike for some aspects of his politics, and enjoyed provoking him at times into a retort, but he knew equally that this was in order to have the benefit of his quick repartee and that we were always appreciative of his unfailing and kindly humour. We shall all much miss the spontaneous and original wit with which at times he enlivened the debates of the house, and I for one shall much miss the doctor himself.

I was not as well acquainted with the late member for East Algoma, Mr. George B. Nicholson, as with Mr. Black and Dr. Cowan, and therefore cannot speak as intimately of his personal qualities. I believe, however, that those who knew him well were strong in their admiration of his zealous concern for his party's interests; and of a zeal no less great for the well-being of those whose interests he sought to serve in parliament. He began his life in the work of railway construction, and

later became interested in the timber business in northern Ontario. These associations brought him into immediate contact with large numbers of workingmen on railways and in lumber camps, and with the many needs of a pioneering community. To be a friend and neighbour to those in humble circumstances was, we are told, the constant endeavour of his life. In this endeavour he seems to have largely succeeded. I had the pleasure, as the Prime Minister had, of reading this article to which he has referred. It appeared, I think, in the Journal of this city shortly after Mr. Nicholson's death and was by a former citizen of Chapleau who had been a life long friend. My feelings upon reading it were similar to those to which my right hon. friend has given expression to-day. It closed, if I recollect aright, with the words: "Those of us who knew him best, liked him more." After all that is the one real test and the highest tribute that can be paid to the worth of a friend and a neighbour; it is a tribute that in Mr. Nicholson's case many will believe is worthily bestowed.

To all of us who are of the official opposition, the death of Doctor J. Arthur Denis, the late member for St. Denis, Montreal, means the loss of a deeply valued colleague as well as friend: to myself personally it means the loss of one of the most loyal and devoted supporters that any leader of a political party could wish to have.

Though the youngest in years of the four members who have been taken away since our last session, Doctor Denis was the oldest in point of membership in the house itself. He entered parliament in 1921, in his forty-first year, and represented the constituency of St. Denis continuously up to the time of his death on the first of October last, when he was in his fifty-fourth year. His popularity in his own constituency could not have been better attested than by the huge majorities he received at each of the four contests at which he was a candidate, and which varied from 6,500 to 18,000. These majorities were by no means the result wholly of the exigencies of politics. They reflected in a very true way the place which Doctor Denis held in the hearts of the people of his constituency. He was a man devoted in his sympathies to the poor; and being a medical doctor practising in a thickly populated industrial community, his profession brought him into close contact with the conditions of thousands of workers, many of them possessed with little or nothing of this world's goods. To one and all in need he ministered as best he could, and, as may well be assumed, with little in the way of remuneration. He took a special interest in young people, and sought to encourage their participation in politics. For a time, a club which he formed to this end, met every week in his own home.

Few members have been more ardent advocates of their political faith. Liberalism to him, as to many another, was a gospel. When not practising his profession he was immersed in politics; indeed, his profession, save as a means of furthering charitable ends, came to hold a wholly secondary place, and its rewards were sacrificed to politics. He died as he lived, a poor man with large family obligations.

In this House of Commons, Doctor Denis was most regular in his attendance. He participated freely in the debates, especially where social and industrial questions were under discussion. As opportunity presented he never failed to say the word which he believed might be helpful to the people he represented and the cause he had at heart. I really believe that the strain Doctor Denis experienced in seeking to serve both at home and in parliament the needs of a working class constituency in these years of depression was responsible more than all else for the heart affliction which occasioned his death, and his passing at the early age of fifty-four. It was a strain which was also felt by other of our late colleagues, and is a strain which I believe is felt in considerable measure by most men who take part seriously in public affairs to-day. Doctor Denis' death has occasioned an irreparable loss to those he served so well by his profession and in parliament. It is a loss which will be much felt in this House of Commons, and in times such as the present, a very real loss to the country.

I join with the right hon. the Prime Minister in expression of the desire that the sympathy of this House of Commons be appropriately conveyed through His Honour the Speaker to the immediate members of the families who since our last meeting together here have been so greatly bereaved.

Mr. J. S. WOODSWORTH (Winnipeg North Centre): Mr. Speaker, it is hardly necessary that I should follow the Prime Minister (Mr. Bennett) and the leader of the opposition (Mr. Mackenzie King) in a review of the careers of the four members who have been called away. I desire, however, to associate this group with the tribute of respect which has been expressed by the other groups in the house to our fellow members who have passed on. Sometimes I wonder, when we can find admirable qualities in all of those, even our political enemies, who have gone

from us, whether this should not lead us to be a little more charitable to those who still are round about us.

We desire to express to the friends and relatives of the late Mr. Black, Doctor Cowan, Mr. Nicholson and Doctor Denis, our very great sympathy with them in their bereavement.

On motion of Mr. Bennett the house adjourned at 3.50 p.m.

Monday, January 21, 1935

The house met at three o'clock.

BUSINESS OF THE HOUSE

PROCEDURE RESPECTING CONSIDERATION OF GOVERNOR GENERAL'S SPEECH

On the order for motions:

Right Hon. W. L. MACKENZIE KING (Leader of the Opposition): Mr. Speaker, on Thursday last the Prime Minister moved and this house adopted a resolution to the effect that the speech of His Excellency the Governor General, delivered at the opening of parliament, would be taken into consideration to-day, but the resolution did not state that consideration of His Excellency's speech should have precedence over the other items on the order paper. It was rather the expectation of hon. members of the house that such would be the case, and unless the government's intention is to the contrary I think a resolution to that effect would be in order.

Right Hon. R. B. BENNETT (Prime Minister): Mr. Speaker, I intended to have the questions asked, because some of them will become orders for returns and they require to be advanced; then to take the notices of motion for the production of papers, which are all starred notices, in order that they might be passed and the work commenced on them. Then it was intended to proceed one step with the two government notices of motion so that we may be able to discuss them when the time comes; this is merely the formal notice that they will be moved in committee of the whole. It is intended to omit the notices of motion and have them stand. That is substantially what the right hon. gentleman has in mind, I take it.

[Mr. Woodsworth.]

TRADE WITH UNITED STATES

STATEMENT MADE BY SECRETARY OF STATE OF THE UNITED STATES

On the order for motions:

Right Hon. R. B. BENNETT (Prime Minister): Before proceeding further I think it would be well to make the following statement to the house. The Secretary of State of the United States of America has made, this afternoon, the following announcement in Washington:

> Pursuant to section 4 of an act of congress approved June 12, 1934, entitled "An Act to amend the Tariff Act of 1930" and executive Order No. 6750 of June 27, 1934, I hereby give notice of intention to negotiate a trade agreement with the government of Canada.

Under the act of congress in question it is provided that, before the conclusion of any foreign trade agreement, interested persons in the United States shall have an opportunity of presenting their views for the consideration of the government of the United States. The announcement of the Secretary of State goes on to set March 11 and March 18 for the reception of written and oral representations, respectively, by the committee appointed by the president for this purpose.

There is attached to the notice a general review of the statistics of trade between Canada and the United States in recent years, and tables showing for the years 1929 and 1933 the volume and value of the trade in the principal commodities which are exchanged between the two countries. When the formal note has been transmitted to the Department of State I will lay it on the table.

QUESTIONS

(Questions answered orally are indicated by an asterisk.)

VOTING BY CANADIAN CITIZENS IN SAAR BASIN

Mr. MERCIER (Laurier-Outremont):

1. Is the government aware that residents or citizens of Canada left the country for the purpose of voting in the Saar Basin territory plebiscite of January 13, 1935?

2. Did any department or official of the government facilitate in any manner, under the law, the going to the Saar Basin territory of any citizen of or resident in Canada?

3. If the movements of any such persons were aided by the government or any of its officials, what are the names, surnames in full, and addresses of such persons whose going to the Saar was taken cognizance of by the government or its officials?

Mr. CAHAN:

1. No, except certain reports in the press of the accuracy of which the government has no knowledge.

2. No.

3. Answered by Nos. 1 and 2.

BONAVENTURE PARISH—PROTECTION WORKS

Mr. MARCIL:

Did the Department of Public Works during the year 1934, refuse to repair the protection works constructed by the department in the parish of Bonaventure, county of Bonaventure; if so, for what reason?

Mr. STEWART (Leeds):

(a) Yes, protection works along provincial highway west from church in village of Bonaventure, Bonaventure county, P.Q.

(b) As damage was wholly due to natural causes the department decided not to take any further action towards reconstruction of protection works along main street of village and forming part of provincial highway No. 6, it being of the opinion that the work should be done by the municipality and the province of Quebec.

QUESTIONS PASSED AS ORDERS FOR RETURNS

PICTOU, N.S., POST OFFICE

Mr. ILSLEY:

1. What was the amount expended in repairs to the post office building at Pictou, Nova Scotia, during 1934?

2. Were tenders called for the work?

3. If so, who were the tenderers and what was the amount of each tender?

4. If tenders were called for different classes of work, who were the tenderers and what was the amount of each tender?

5. If work was not done under tender and contract, who was the foreman in charge of the work?

PICTOU, N.S., CUSTOMS HOUSE BUILDING

Mr. ILSLEY:

1. What was the amount expended in repairs to the customs house building in Pictou, Nova Scotia, during 1934?

2. Were tenders called in connection with such work?

3. If so, who were the tenderers and what was the amount of each tender?

4. If there were tenders for different classes of work, who were the tenderers and what was the amount of each tender?

5. If the work was not done under tender and contract, who was the foreman in charge?

CANADIAN NATIONAL RAILWAYS—MONTREAL-PORTLAND LINE

Mr. VENIOT:

1. What amount of money was expended on the Canadian National Railway line from Montreal to Portland, Maine, each year since 1919?

2. What amount of money was expended on all lines and terminals owned or operated by the Canadian National Railways in the United States since 1919, showing amount expended each year to date?

CANADIAN NORTHERN RAILWAY

Mr. VENIOT:

1. What subsidies, in cash or land grants, were given to the Canadian Northern Railway, main and branch lines, and on what dates were the various subsidies granted?

2. What bond issues of the Canadian Northern Railway were guaranteed by the federal government as to principal and interest or both?

3. What subsidies were granted by the federal government, in cash or land, to the Grand Trunk Railway?

4. What obligations, in the shape of bonds or otherwise, were accepted by the federal government from the various provinces, or the Canadian National Railways, in taking over the various railroads which now comprise the Canadian National Railways?

5. Are these obligations included in the debt due by the Canadian National Railways to the federal government?

INTERCOLONIAL RAILWAY

Mr. VENIOT:

1. What was the cost of the construction of the Intercolonial Railway from Levis to Halifax and Sydney, including the acquisition of any railway lines in operation when the Intercolonial was constructed?

2. What sum was paid for the acquisition of the Drummond Valley Railway when it was added as an extension to the Intercolonial to Montreal?

3. What portion of the construction of the Intercolonial Railway was paid for by the Imperial government?

4. What branch lines were acquired by the Canadian National Railways and now form part of the eastern or Atlantic section of the said railways, on what date was each acquired and what were the respective amounts paid?

5. What amounts for rental of rolling stock, if any, were credited to the Canadian Northern portion of the Canadian National Railways and charged against the Atlantic region of the said railways, showing the yearly charges and name of sections of the Atlantic region against which such charges were made?

6. What are the similar charges, if any, against Atlantic region and credited to the Grand Trunk Railway?

7. What amount of rolling stock was transferred from Atlantic region to other sections of the Canadian National Railways, showing the name of sections to which such transfers were made?

Mr. VENIOT:

1. What were the yearly receipts and expenditures of the Intercolonial Railway from 1880 to the year when the road was extended to Montreal over the Drummond road?

2. What were the yearly expenses and receipts of the Intercolonial Railway, including the Drummond section and extension to Montreal, from the date of said extension to and including the year 1919?

3. When were the freight rates on the Intercolonial Railway increased to equalize in part or in whole the freight rates on railways west of Montreal?

4. What was the average increase of such rates?

5. What amount was paid yearly from the federal treasury to the Atlantic region of the Canadian National Railways under the Maritime Freight Rates Act to the end of the calendar year 1934?

6. What amount was paid yearly, under the said act, to railways not forming part of the Canadian National Railway system?

CANADIAN PACIFIC RAILWAY—SUBSIDIES

Mr. VENIOT:

1. What cash subsidies were granted to the Canadian Pacific Railway Company to aid in the construction of its railway line to the Pacific coast?

2. What land grants were given the Canadian Pacific Railway Company, showing the number of acres and value per acre?

3. What sum was expended in the construction of the Canadian Pacific Railway by the government previous to the transfer of the undertaking to the Canadian Pacific Railway Company?

4. Did the said company reimburse the federal government for the work carried on previous to the railway being taken over by the said company?

5. What subsidies were paid by the federal government to branch lines now operated under lease or owned by the Canadian Pacific Railway Company, showing the names of such branch lines and amount of subsidies paid to each?

BRITISH COLUMBIA—PORT WARDENS' RETURNS

Mr. HANSON (Skeena):

What are the gross and net returns for port wardens in Vancouver, New Westminster, Victoria, Nanaimo, Port Alberni and Prince Rupert, British Columbia, for the years 1933-34?

MOTIONS FOR PAPERS

PICTOU, N.S., POST OFFICE AND CUSTOMS HOUSE

Mr. ILSLEY:

For a copy of all papers, telegrams, letters, accounts and other documents relating to expenditures made by the Department of Public Works in connection with repairs to the post office and custom house, respectively, at Pictou, Nova Scotia, during the year 1934.

[Mr. Veniot.]

BONAVENTURE COUNTY, WHARVES AND BREAKWATERS

Mr. MARCIL:

For a statement showing the damages caused to certain wharves and breakwaters under the control of the Department of Public Works, during the month of December, 1934, in the county of Bonaventure; also a statement showing what repairs have been authorized, and to what extent.

BONAVENTURE COUNTY, PUBLIC WORKS

Mr. MARCIL:

For a copy of all paylists and accounts for materials in connection with work done by the Department of Public Works in the township of Hope, Hopetown, St. Godfroy, Shigewake, Rivière Nouvelle, Port Daniel, McInnes Cove, Gascons East and West, Bonaventure county, during the year 1934-35.

NEW CARLISLE AND PASPEBIAC, QUE., WORKS

Mr. MARCIL:

For a copy of all paylists and accounts for materials in connection with work done by the Department of Public Works at New Carlisle and Paspebiac, county of Bonaventure, during 1934-35.

CAPLAN RIVER—ST. CHARLES DE CAPLAN, QUE., WORKS

Mr. MARCIL:

For a copy of all paylists and accounts for materials used in connection with work done by the Department of Public Works at Caplan River and St. Charles de Caplan, Bonaventure county, during 1934-35.

BONAVENTURE AND BLACK CAPE, QUE., WORKS

Mr. MARCIL:

For a copy of all paylists and accounts for materials in connection with work done by the Department of Public Works in the parish of Bonaventure and at Black Cape, county of Bonaventure, during 1934-35.

BONAVENTURE PARISH, QUE., PROTECTION WORKS

Mr. MARCIL:

For a copy of all correspondence, telegrams and other documents in connection with the application made to the Department of Public Works regarding the repairs to protection works in the parish of Bonaventure, county of Bonaventure, during the year 1934.

ST. SIMEON DE BONAVENTURE, QUE., WORKS

Mr. MARCIL:

For a copy of all paylists and accounts for materials used in connection with work done at Ruisseau Leblanc, St. Siméon de Bonaventure and Petit Bonaventure, during the year 1934, by the Department of Public Works.

BONAVENTURE COUNTY—PUBLIC WORKS

Mr. MARCIL:

For a copy of all paylists and accounts for material used in connection with work done by the Department of Public Works, during 1934-35 at Cross Point, Restigouche, Miguasha, Fleurant, St. Omer, Carleton Maria, Grand Cascapedia and New Richmond, Bonaventure county.

BONAVENTURE COUNTY—MAIL CONTRACTS

Mr. MARCIL:

For a statement showing: (1) The mail contracts awarded in Bonaventure county by the Postmaster General during 1934-35: (a) without tender; (b) by tender; (c) contracts renewed, the names of contractors and amounts in each case; (2) the new post offices opened, new postmasters appointed, on whose recommendation in each case, the name of postmasters removed, for what reason, in the county of Bonaventure, during the year 1934-35.

BONAVENTURE COUNTY—EXPENDITURES

Mr. MARCIL:

For a statement showing the expenditure authorized in the county of Bonaventure during the year 1934-35: (a) in the regular estimates; (b) under the Public Works Construction Act, 1934, showing the individual items and the nature of the work in each case.

EASTERN POTATO MARKETING BOARD

Mr. VENIOT:

For a copy of the order in council approving the organization of the Eastern Potato Marketing Board, together with a copy of regulations under which such board was authorized to act.

REGINA FEDERAL BUILDINGS—COAL SUPPLIES

Mr. McPHEE:

For a return showing the amount of coal supplied to the Regina constituency for federal buildings each year since 1930, showing the names of the persons or firms supplying same and the price paid per ton in each case.

YORKTON FEDERAL BUILDINGS—COAL SUPPLIES

Mr. McPHEE:

For a return showing the amount of coal supplied to the Yorkton constituency for federal buildings each year since 1930, showing the names of the persons or firms supplying same and the price paid per ton in each case.

PUBLIC WORKS CONSTRUCTION

Mr. POWER moved:

For a copy of all orders in council concerning public works construction under authority of the Statute of 1934, chapter 59, section 9.

He said: Mr. Speaker, I should like to move the following amendment:

That the expression "section 9" be stricken from the motion.

Amendment agreed to.

Motion as amended agreed to.

BEAUCEVILLE, QUE., WHARF

Mr. BOULANGER (For Mr. Lacroix):

For a copy of all correspondence, documents and report of the Auditor General, respecting the wharf (crib-work) at Beauceville, on the Chaudière River in the parish of St.-François, Beauce county.

Mr. BENNETT: It might be well if the mover were to state the year or years to which the motion applies. Would the years 1933 and 1934 be sufficient?

Mr. BOULANGER: Mr. Speaker, as I do not know anything about the motion I move that it stand.

Motion stands.

UNEMPLOYMENT INSURANCE

MEASURE TO ESTABLISH AN EMPLOYMENT AND SOCIAL INSURANCE COMMISSION

Right Hon. R. B. BENNETT (Prime Minister) moved that the house go into committee at the next sitting to consider the following proposed 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.

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

Motion agreed to.

PATENTS OF INVENTION

PROPOSED AMENDMENT AND CONSOLIDATION OF RELATED ACTS

Hon. C. H. CAHAN (Secretary of State) moved that the house go into committee at the next sitting to consider the following proposed resolution:

That it is expedient to bring in a measure to amend and consolidate the acts relating to patents and inventions; to provide for the appointment by the governor in council of a commissioner of patents; to provide for the appointment of an assistant commissioner and such examiners, clerks and stenographers as are necessary for the administration of the act; and to prescribe certain additional fees and charges.

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

Motion agreed to.

EMPIRE DEFENCE PLAN

INQUIRY BY MR. MACKENZIE KING AS TO ACCURACY OR OTHERWISE OF PRESS REPORT

Right Hon. W. L. MACKENZIE KING (Leader of the Opposition): Mr. Speaker, I desire to ask the Prime Minister as to the accuracy or inaccuracy of a statement which recently appeared in a prominent newspaper in London, England, with respect to a new plan for empire defence which, it is alleged, has been worked out and was discussed with Sir Maurice Hankey on the occasion of his recent visit to Canada. The article to which I refer appeared in the Sunday Express, of London, England. The headlines are as follows:

New Plan For Empire Defence
Dominion Chiefs'
London
Visit
A Common Pool
Sunday Express Political Correspondent

The article is as follows:

Vitally important discussions on the defence of the empire will take place in London in a few weeks.

The Prime Minister and other leaders representative of all the dominions will be in this country in connection with the King's jubilee celebrations, which open in May, and the opportunity will be taken to hold an informal imperial conference.

An elaborate scheme of empire defence has already been worked out by the committee of Imperial Defence, on which sit technical experts and the heads of all the fighting services.

This scheme has been submitted to the dominion governments by Sir Henry Maurice Hankey, Secretary of the Cabinet, and of the committee of Imperial Defence, who returns to London this week from a tour of the empire.

I understand that the plans Sir Maurice has discussed with the dominion governments propose that the various parts of the empire should contribute to empire defence as a whole in finance, personnel and equipment.

Particular attention will be paid to defence against aerial attack.

It is not improbable that technical experts will accompany the dominion statesmen when they come to this country.

The article is dated January 6, 1935, and the question I wish to ask the Prime Minister is this: Was the recent visit of Sir Maurice Hankey to Canada made the occasion of a discussion or consideration of any plan of empire defence by any member of the government, or by any official or officials of the government, acting under the authority of any minister of the crown?

Right Hon. R. B. BENNETT (Prime Minister): Mr. Speaker, ordinarily I should say that a question of that character should stand until further opportunity was given to examine into its several implications, but in order that there may be no delay in dealing with so absolutely false a statement I take the immediate opportunity of stating that it is wholly without foundation. I shall examine the situation in detail to see if there is any phase of it to which any other answer should be given, but so far as the general statement and the statement made in the newspaper are concerned they are wholly without foundation.

UNEMPLOYMENT RELIEF

CAMPS FOR SINGLE, HOMELESS MEN

On the orders of the day:

Hon. IAN MACKENZIE (Vancouver Centre) I should like to ask the Minister of National Defence (Mr. Stirling) how many of the single, homeless, unemployed men left the National Defence camps in the province of British Columbia during the month of December, how many of them have returned, and if any investigation has been held into their complaints.

Hon. GROTE STIRLING (Minister of National Defence): Mr. Speaker, the hon. member for Vancouver Centre (Mr. Mackenzie) was good enough to give me notice of his question, and I think the best way in which I can answer it is to read to the house a telegram to the premier of British Columbia dated December 28, 1934:

You are of course aware that the camps established by the Department of National Defence for single homeless men were to ease the burden on the provinces, and to ensure that homeless men should not be without food, clothing and shelter, which are furnished by the federal government, together with a small daily allowance for necessities not provided in kind. No powers of compulsion are exercised and discipline is maintained only for the purpose of preserving the orderly conduct of the camps. The work is such as will prevent the deterioration of young men who are free to accept any employment that may offer. When work offered involved transportation, cost thereof is furnished by the Defence department.

All the provinces in which the camps were established are aware of these conditions.

On the seventh of December a delegation from the camps was received by you. On the invitation of your Minister of Labour, representatives of headquarters military district number eleven were present. The demands of the delegation were made known by one Shaw, alleged to be secretary of a camp workers' union. You explained the situation to the delegates who retired.

On Monday, the tenth, false rumours were circulated as to the action that was to be taken by your government. On Tuesday, the eleventh, it was apparent that a considerable number of men had left the camps and were congregating in Vancouver. On investigation it appeared that scrip had been issued, giving the men from

the camps room and lodging at the Salvation Army headquarters for one week. Later a conference was held between Attorney General Sloan, Mr. Griffiths, provincial administrator, and a representative of military district number eleven, at which it was made clear that the only means for keeping men in the camps was the guarantee that they could not obtain relief elsewhere. It was pointed out that if relief were given, as had already been done in the case of several hundred who had congregated in Vancouver from the camps, it would almost be impossible to persuade men that by leaving the camps they would not obtain relief in Vancouver.

Your Minister of Labour gave written assurance that relief would not be provided to those who had left the camps for cause or of their own accord, and stated that the relief which had been given would be automatically cancelled from the fifteenth instant and not renewed.

We think it most undesirable that agitators should destroy the value of the camps which have been provided for homeless single men, and we seek your earnest cooperation to the end that the agitators may be dealt with by the attorney general's department as provided by law. In this regard please see my telegram of twenty-fifth February last to Attorney General Sloan. I trust you realize that but for the assistance given to the few who left the camps, the large numbers would not have congregated in Vancouver.

No investigation is necessary for the press and citizens have been invited to visit these camps ever since they have been established, and of one hundred and thirty applications which have been made for reinstatement in the camps, one hundred and twenty-three have been reinstated, which indicates the sympathetic disposition of the officers in charge to the problem with which they are dealing. The so-called black list included the names of those who have been told to leave the camps because their further presence involved the destruction of the very camps which have been established for the benefit of those who are the victims of propaganda.

R. B. Bennett.

That covers the situation at the end of December last, but to bring it up to date let me further add that the most recent report as of the seventeenth of January last is that there are at present no troubles in Vancouver. The men decided to go back into the camps and continue their organizing there. The revised figures are:

(a) Total discharged for cause or walked out during disturbances (covering month of December)	748
(b) Total applications for reinstatement, which includes men previously discharged	867
(c) Applications approved	628
Applications not approved	86
Applications held for further enquiries	153
Total	867

Every application for reinstatement is being carefully reviewed, and wherever there is reasonable probability of proper behaviour in future the man is accepted.

The records show conclusively that the officers in charge of this work have carried out their duties in a most sympathetic manner.

CANADIAN NATIONAL RAILWAYS

REPRESENTATIONS OF EMPLOYEES RESPECTING EQUIPMENT CONSTRUCTION

On the orders of the day:

Mr. F. G. SANDERSON (South Perth): Mr. Speaker, I desire to ask a question of the Minister of Railways. I have under my hand four communications, two letters and two telegrams, from different associations of the Canadian National Railway employees in the city of Stratford, and with your permission, Mr. Speaker, I propose to read the shortest of the telegrams which will take only a moment. It is addressed to me at the House of Commons, and reads as follows:

> Press reports indicate that new equipment for Canadian National Railways may be constructed by private companies. Canadian National Railways employees protest such contracts as equipment can be advantageously constructed in Canadian National repair shops. Respectfully request that you use your influence for this work to be done by the Canadian National Railways in their own shops, whereby former employees may be returned to work. A reply would be appreciated.
>
> J. Thomas.

My question to the minister is this: Is he prepared to-day to make any statement to the house and to the country in connection with this matter, or would he prefer to make it to-morrow or within the next two or three days.

Hon. R. J. MANION (Minister of Railways and Canals): Mr. Speaker, the same telegram I assume came to me among many others. There were many telegrams and letters from various sections of the country that were based upon a statement in the press which was not an official statement of any kind, and my reply to all the telegrams and letters has been that the matter has not been decided upon by the government; that there have been proposals put to the government for equipment by railway car equipment companies, but that no decision of any kind has been arrived at.

CANADA SHIPPING ACT

On the orders of the day:

Mr. THOMAS REID (New Westminster): I should like to direct a question to the Minister of Marine (Mr. Duranleau). Is the shipping bill, as passed last session, in effect in Canada, and if not would the minister be good enough to make a short statement why it has not been proclaimed?

Hon. ALFRED DURANLEAU (Minister of Marine): The query of my hon. friend will be taken as a notice of question, and I shall give an answer within two or three days.

FIRST NARROWS BRIDGE

On the orders of the day:

Mr. A. E. MUNN (Vancouver North): Mr. Speaker, I would like to ask the Minister of Public Works if, after some delay, they have yet arrived at a conclusion in regard to the application respecting the First Narrows bridge?

Right Hon. R. B. BENNETT (Prime Minister): I will answer that question, Mr. Speaker, because it is not a matter affecting the Department of Public Works; it is a matter affecting the Department of External Affairs.

The First Narrows bridge, as I explained last year, is to cross the entrance to the harbour of Vancouver. The harbour of Vancouver has been constructed, and the facilities made available, largely at the expense of the taxpayers of Canada. It is a national port, the only port of consequence upon the Pacific coast able to take care of large traffic. The port of Prince Rupert has not been available for traffic to the extent that was originally thought, and Vancouver cares for most of the traffic on the Pacific slope. The ratepayers of North Vancouver, which is the name of the territory on the north side of the fairway or entrance to Vancouver harbour have approved of the construction of this bridge—

Mr. MACKENZIE (Vancouver): And those of Vancouver too.

Mr. BENNETT: The ratepayers of Vancouver city proper, on the south side of the fairway or entrance, have also approved. The whole area may be called Greater Vancouver.

The proposals contemplate a wire suspension bridge. The only question that this government has to consider is whether or not in the public interest it shall agree to the plans. It has no concern with respect to the arrangements made by the private interests who are promoting the undertaking, nor with the attitude of the communities with respect to its construction. But all Canada is vitally interested in the facilities at the port of Vancouver. The fairway or entrance to the harbour there is narrow, and it is impossible to make it much wider, for on the south side is Stanley park, and on the north side you have the solid foundation of the territory called North Vancouver. It follows therefore that the only question was how far north the pier should be constructed to which the suspension bridge is to be attached on the north side. The government requested the private interests promoting this enterprise to satisfy them that the pier could not be constructed any farther north than was proposed. For if it were not as far north as was physically possible, having regard to the surrounding territory, it followed that the fairway could not be widened, as no dredging could take place between the pier and the north shore. The question is purely one of the public interest. We were not unaware of the great responsibility that attaches to approving of a scheme that would render it impossible for seventy-five years to widen the fairway at the entrance to Vancouver harbour. Recently it has been indicated to the government that the north pier might possibly be constructed fifty feet or more farther north, and that owing to the physical conditions that exist on the southern side, that is in Stanley park, the pier there might be erected a little farther north, with the result that the fairway might be slightly widened. The matter is still under consideration, but I thank the hon. gentleman for bringing it to the attention of the house. It is in no sense a matter of public works or marine and fisheries or anything of the sort, it is a matter of the welfare of the whole of western Canada, and in part of eastern Canada also, and we are fearful lest any mistake be made that would limit the usefulness of Vancouver harbour by lessening the possibility of making a very narrow fairway as wide as possible, to serve the commerce of the world.

HALIFAX-DARTMOUTH BRIDGE

On the orders of the day:

Mr. WILLIAM DUFF (Antigonish-Guysborough): May I ask the Prime Minister what the position is as to his promise of 1930 in regard to a bridge from Halifax to Dartmouth?

Right Hon. R. B. BENNETT (Prime Minister): I am happy to be able to advise the hon. gentleman that that proposal has been abandoned by those who made it. And it may interest him to know that recently the residents of that part of Nova Scotia residing on the Dartmouth side of the harbour of Halifax have suggested another scheme which engineers of the Department of Railways and Canals are now investigating.

GOVERNOR GENERAL'S SPEECH

ADDRESS IN REPLY, MOVED BY MR. W. E. ROWE AND SECONDED BY MR. C. N. DORION

The house proceeded to the consideration of the speech delivered by His Excellency the Governor General at the opening of the session.

Mr. W. E. ROWE (Dufferin-Simcoe) moved:

That an address be presented to His Excellency the Governor General, to offer the humble thanks of this house to His Excellency for the gracious speech which he has been pleased to make to both houses of parliament.

He said: Mr. Speaker, before asking the indulgence of this house to consider His Excellency's most gracious speech, may I take this opportunity to thank the right hon. Prime Minister (Mr. Bennett) for giving me the privilege of speaking on this occasion, and also to express to him the appreciation of the people of the riding of Dufferin-Simcoe which I have had the honour to represent in this house during the past ten years. I am sure that there are many things that we all hold in common in this house and that despite the disagreements and differences of opinion that we may have had concerning other speeches from the throne, we are agreed that at this time we have to consider one of the most important ever presented to parliament. However, I am sure that we are in common agreement in extending our thanks, and good wishes to His Excellency, as His Majesty's loyal representative in Canada, and also to Her Excellency Lady Bessborough for the coming year. They are not only noble representatives of the crown but also descendants of the two great races that were so conspicuous in the development of Canada in the earlier years.

Let me also congratulate the hon. members who have been so recently elected to this parliament. I extend my felicitations—it is a pleasure indeed to do so—to the hon. Minister of National Defence (Mr. Stirling) and the hon. Minister of Trade and Commerce (Mr. Hanson) on their appointment to these high offices, and I congratulate the government as well on selecting two such admirable representatives, one from the historical province of New Brunswick, and the other from the beautiful province of British Columbia. I am sure that those who have been closely associated with these hon. gentlemen appreciate the combination of ability, long experience and integrity that they bring to the discharge of their responsible duties, thus giving additional strength to this government.

I also congratulate the Prime Minister on returning to this parliament in such apparent good health and vigour after a year of great activity. It is I believe generally recognized throughout Canada that with respect to energy, ability and integrity he is unsurpassed by any Prime Minister in the history of Canada. I also extend my compliments to the leader of His Majesty's loyal opposition (Mr. Mackenzie King). I am glad to see that he has returned to this parliament evidently restored to health and vigour. I have always had a good deal of sympathy with the leader of the opposition, lately especially, because I feel that even though his silence has been most conspicuous his task is none the less difficult.

The speech that has been presented to this parliament is indeed an outstanding one. Frankly, it is the most important document that I have ever heard read to this house since I entered it in 1925. It has indeed arrested the imagination of the Canadian people.

Some hon. MEMBERS: Hear, hear.

Mr. ROWE: I am glad that those who sit to the left of the Speaker say hear, hear; at any rate the speech has arrested their surprise. It gives a vivid report of a government that has courageously met the national necessities by advanced legislation which has been presented in rapid succession during these years of crisis, and I have no doubt that when this house considers the speech from the throne from an unbiased point of view it will accept it as a fair plan of assured progress in the future. Moreover, when our people throughout the country read it they will be satisfied, I have no doubt, not only with the proposals that are therein contained but more particularly with the fact which it indicates, that this is not the beginning but the continuance of reform measures that are already on the statute books.

I should be derelict in my responsibilities, especially representing as I do a riding which is engaged chiefly in agriculture, and seeing that I am myself and always have been en-

gaged in agriculture, if I did not thank His Excellency for the reference to the evidences of this government's continued interest in that great basic industry. I believe that I speak not only for the farmers of that part of Ontario but for those who are engaged in this great industry from one end of Canada to the other, when I say that they deeply appreciate what the government has endeavoured to do to assist agriculture in these very difficult years. The farmers in the drought area of Saskatchewan, and to a lesser extent those in Alberta and Manitoba, must fully appreciate the assistance which the government has extended to them in their hour of greatest need. I am sure they are also fully conscious at the present time of the intention of the government to extend its services and the assistance it has given to agriculture through the extension of the credit system, by a survey of the whole debt structure of the country, and by amendments to the different acts which have been passed. I have no doubt that those who have benefited, thousands in western Canada and hundreds in the eastern provinces and in old Ontario, fully appreciate what has been done under The Farmers' Creditors Arrangement Act, which is the first attempt that any government has made to give the farmer a second chance in order that he may relieve himself of his burden of debt.

I am satisfied, further, that those who are interested in the expansion of agriculture, not only individually but from the general standpoint of the community, will greatly appreciate the amendments to the Farm Loan Act of last year as well as the proposals contained in the speech from the throne at the present time. And probably I speak on behalf of a wider range of the population when I express appreciation of this interest in agriculture, especially in view of the benefits derived from the imperial trade agreements, and the assurance which the speech from the throne gives us of an expansion of empire markets. I do not think that there are any members in this house, even those who sit to the left of the Speaker, who to-day would vigorously condemn the imperial trade agreements. I am satisfied that after they have learned, as every other citizen of Canada has learned, that we have developed through the imperial trade agreements a freer trade arrangement within one-quarter of the whole world—than at any other time in the last quarter of a century—they will join with the farmers of these old provinces in the east, the mixed farmer, the live stock producer, the bacon hog producer, in appreciation of the benefits that have been derived from the imperial trade agreements. I am gratified to know that the government is still desirous of expanding these markets by treaties with other countries and by consolidation of the arrangement with the mother country, with a promise to renew the agreements. This is not confined only to the live stock breeders of eastern Canada; I know that the apple producers of Nova Scotia as well as those of other parts of Canada realize what it means to them to have the advantage of $1.25 per barrel in the British market. I know that the wheat producers of the three western provinces, notwithstanding that in the drought area some of these districts have not been producing as abundantly in the past, appreciate the preference of 6 cents a bushel in the British market. There are of course some who will smile at this, but may I recall for their benefit the reason why the farmer so deeply appreciates these advantages.

I did not intend to refer to this matter, but I feel that there has been a misapprehension throughout the dominion and possibly a misunderstanding even in this house. Many people have believed and have endeavoured to have others believe that the high tariff reforms of the present government, put into operation in 1930 had something to do with the closing of markets overseas; and many have sought to convey to the public the impression that the imperial trade agreements had also something to do with the closing of those markets. It is needless for me to remind the house, however, that this is further from the fact than anything could be; it is the reverse of the fact, because the tariff reforms that were found necessary in 1930, and the imperial trade agreements which were inaugurated in 1932, were the consequence of markets having been already closed to the farmers of Canada. Between the year 1922 and the year 1930 practically every great market of the world had been closed to the products of our farmers. Take Czechoslovakia for instance; wheat had been entering free and a tariff of $1 a bushel was put on, before this government came in. The tariff in Germany was raised to 98 cents, it was raised in France from 12 cents to 85 cents, and in Italy it was raised to 73 cents. In Japan the tariff against our bacon was raised from ½ cent to 5 cents per pound. The tariff against wheat entering China and Japan was raised to 40 cents a bushel. There was not a solitary market left to Canadian agricultural products in 1930 save the United Kingdom.

That is why the farmers throughout Canada appreciate the advantages of the imperial trade agreements. The only market that was left

them was enlarged, giving to Canadian products a preference which has meant an annual increase in exports of over $40,000,000 and has saved Canadian agriculture from absolute ruin. I need not go over the advantages, for they are felt by everyone living on the land from one end of the country to the other. The benefits are felt by the fur producers of Prince Edward Island as well as by the fruit and poultry producers of British Columbia. They extend to the other primary industries of Canada. The lumbermen of British Columbia exported more lumber during the year following the agreements than they had done in any year since 1921. I am satisfied that the mining interests of old Ontario and Quebec as well as of other parts of Canada fully appreciate the fact that they have trebled their exports to the United Kingdom since the coming into operation of the imperial trade agreements; nor have I any doubt that every one who is interested in Canadian progress at the present time feels that those trade agreements should receive approval, especially in view of the fact that an increase of over 50 per cent in trade has been brought about as a result entirely of the agreements. I am not surprised therefore that those who vigorously opposed the imperial trade agreements when they were presented now reluctantly approve of them in the country.

In the speech from the throne it is true there are many proposals of reform. There are proposals to extend the advantages that have been given to agriculture and as one interested in agriculture I believe those proposals will tend to bring about an all-round improvement. I have always been strongly of opinion that if we are to have any guaranteed insurance for the future prosperity of agriculture, it must be to no small degree through the expansion of the mining, lumbering and industrial activities of this dominion. The survey relative to our debt structure and proposed extension of credit will, I hope, stimulate not only agriculture but industry. I believe the reforms that are proposed will be more equally divided among those who are labouring in those industries so that our whole standard of living may be improved, thereby automatically bringing about an improvement in every industry in this dominion.

I am very much impressed with the fact that in these proposals we have evidence of the sincerity of the government. Some of them are now on the order paper; many are already on our statute books and while some may challenge the right of the present government to bring about the enactment of these reform measures, when one considers that the present government have had enacted more measures of reform, more advanced legislation, during the last year than any other Canadian government in five years, I think that is a good reason that the present government should have the right to continue.

It is an old and true adage that "the best of integrity is in one's day of adversity." Canada has been severely tested during the last four or five years. In order to review the progress that she had made we should recall the period that immediately preceded the advent of the present government. We recall the period of 1929 when every store-house in every importing country of the world was overstocked with unsold commodities. We remember the great stock market crash prior to 1930 when approximately four billion dollars worth of Canadian securities disappeared and thousands and thousands of fortunes were lost. We appreciate how in that period of world economic depression by 1932 world trade had shrunk to one-third and thirty million men stood idly by looking for jobs. Canada, it is true, had a share in that depression and while the government of the day were busily engaged in meeting those gigantic problems changing from day to day, with new and advanced measures of legislation, there were many in the country who preferred to put the blame for the whole situation on the present Prime Minister or the government of the day. May I suggest that when since 1932 and 1933 we have seen a general improvement, a general incline upwards, when we have seen an unfavourable balance of trade which the government accepted when it assumed office, of $65,000,000 in 1929 jump to $159,000,000 in 1930 and then gradually diminish until to-day we find we have a favourable balance of $140,000,000 in visible trade and approximately $240,000,000 in trade visible and invisible, if there are still those in Canada who are so blind they will not see, they will surely read with graciousness the report of the League of Nations stating that Canada and the United Kingdom were leading the world back to prosperity. Therefore those who have blamed the present government for conditions prior to 1932 should in fair play extend to the Prime Minister and his government some credit for leading the world back to prosperity.

I know this has not been achieved in any easy manner; I know the credit is not all due to the government of to-day; as one who has been closely associated with agriculture and deeply interested in labour conditions in this country, while the present situation may be considered and claimed by those who support the government to be a tribute to it,

I realize it is also a glowing compliment to the hardihood of the Canadian people. We believe that with their rugged character they have endured hardships in a way that no other people in the world have done. On the other hand we are also aware of the fact that when it was necessary to bring in new measures of reform the government was not sitting idly by, it had not a policy of do nothing, of letting the law of supply and demand govern, of laissez faire, of letting things find their own level, but steadily with one step forward after another, it passed a constant succession of new measures. In 1930 the government passed the tariff reform measure and the relief measures. This was followed in quick succession by an emergency act for peace, order and good government, by the Farmers' Creditors' Arrangement Act, the Natural Products Marketing Act, the imperial trade agreements, an amendment to the Farm Loan Act, the price spreads investigation, and all the other measures that may be of minor concern but are still of great importance. Is it any wonder that the man who has been at the head of the government for four or five years and who was accepted in Canada in 1930 as the man of the hour has since been admired by the world as a man of action?

In this year of 1935 I feel not only is the speech from the throne important because it contains a more favourable report and more proposals for progressive legislation in the future than any other speech from the throne to which I have ever listened, but it is more important because it comes in this year—

Some hon. MEMBERS: Oh, oh.

Mr. ROWE: —and after all the Canadian people stand behind the government in their authority. I am glad to see my hon. friends still smiling despite their hopeless outlook.

In this country there are three lines of political thought and I know they will be investigated and seriously considered during the coming year. There are two or three, sometimes more, but particularly three distinctive lines of political thought in any country that carries on a similar party system of government. We have that radical line of thought which would suggest inflation, which would socialize industry. In Canada as in every other country there is that radical element that would say in the time of crisis: We will break down the whole structure, we will cast it all aside. Then there is that other element, very often called liberalism, that all through the ages has shown that it sticks to a fixed principle, that its followers believe in an endeavour to cling to the old order of things.

Some hon. MEMBERS: Oh, oh.

Mr. ROWE: Hon. gentlemen may laugh but if they will read English history they will find that what I say is absolutely true. Having sat in this house for some years I am more convinced than ever that what I say is true despite the fact that my hon. friends opposite may endeavour to smile it off. I know we have been impressed in this house as others have been in the British house, how liberalism has endeavoured to cling to a form of rigid constitutional repose when any reforms are suggested. So far as the other line of political thought is concerned, that which I believe is truly represented by the government of the day, I believe the Conservative party in Canada, as has been the case in the old land has proven that it has to its credit a list of social reforms, regulation of business and financial acts that stands as a credit to its record. I think Lord Tennyson well said:

> That man's the true Conservative
> Who lops the moulder'd branch away.

I know that at present in this house and throughout the country there are many who would not agree with that idea. May I remind you, Mr. Speaker, of the spectacle we saw in this parliament during the period of crisis; I know that everyone within the sound of my voice will bear me out when I say that from what we saw coming from this side of the house, Tennyson was right. This government has passed more advanced legislation than has been put through in the last twenty-five years. But what has been the sentiment of hon. gentlemen opposite during that time? I well recall when we passed the measure relating to the maintenance of peace, order and good government during those days of emergency. I remember how the leader of His Majesty's loyal opposition, and others behind him, fought for days because they thought the measure unconstitutional, and they said we must not put through that act. I also recall, when the farmers from one end of Canada to the other were pleading for relief, how these same constitutional barriers were brought up. I remember that when the farmers had their backs to the wall and faced insolvency the farmers-creditors relief measure was put through parliament, and I remember that hon. gentlemen opposite called it unconstitutional also. I also recall the Natural Products Marketing Act and, as a farmer, I believe I speak for the most successful farmers in Canada when I express their appreciation for the most advanced, important and beneficial piece of legislation, so far as agriculture is con-

cerned, that has been passed by this parliament since confederation. I well recall, when that act was before us, how the leader of His Majesty's loyal opposition and his supporters, who smile to-day, argued that the measure was unconstitutional and should not be passed.

I could go on down the line and give many more examples, but I ask, who has the right to reform; who has the right to continue? This is no rapid change. This is no new policy. This is the continuation of a policy whose sincerity is attested by more reform measures than have been placed upon the statute books by any other government.

I have no right to anticipate what action will be taken by hon. members of this house with regard to the speech from the throne, though I have a good idea of how it will be treated. I do know, however, that there are those who sit to your left who have indicated, by interviews in the press, that they believe that this reform is coming too late. I know that there are those who ask why this did not come two or three years ago, while I am sure there are some, quite close to the leadership of the opposition, who believe it is coming too soon. I know that on the street corners throughout this country—and perhaps in parliament, because sometimes they speak more frankly on the street corners than we do in parliament—it will be said that the Conservative party has stolen the policy of the Liberal party. I know that will be said on many occasions. Well, if that ever was their policy they never followed it. I know that people throughout the Dominion of Canada, and especially the younger people, the boys and girls who are coming out of our universities, who have learned that science leads the way to the very heart of things, will ask if it is not time that science was allowed to unfold the theory of greater social justice. I know that these boys and girls, who have read the speech from the throne with interest, will read the record of the present government, and will ask their seniors to consider carefully this year, or whenever they may be called upon to consider it, whether we do not want the reform that is outlined. I know they will say that, from the national necessities that confront us, their only hope for wider opportunities for themselves and their fellow Canadians not only in the way of employment but also in the way of security against old age and illness, is through more legislative reform than we have had in the past. I know they will say that it is now their duty to take an interest in public affairs and say who is to form the government for the future, and I feel satisfied that they will say that it is not only their duty to consider the record of the government of the day and carefully weigh their proposals for the future, but that it is also their duty to scan the record of those who seek authority. To do that I am sure they will go to the library and look up the political platforms of 1893 and 1919, but they will search in vain for any sign of social reform. After they search they will find that only two outstanding reforms in Canada can be credited to the opposition. They will find first the railway commission, which was established in 1905 for a noble purpose indeed. The Liberal party established that commission to solve a problem of their own creation; it has laboured ever since, but the problem is greater than ever. They will find that among the policies proposed in 1919 was the enactment of the famous Combines Investigation Act, and they will find that this was the only reform policy carried out from 1921 to 1930. They will know how that has worked in the interests of the common man, how it has worked to help the labouring man, how it has worked to protect us against combines and monopolies, which were organized more rapidly during those nine years than during any other twenty-five years in the history of Canada. In that time we had five hundred smaller concerns amalgamated into one hundred and twenty large concerns, many of which recently have been investigated.

I am satisfied, Mr. Speaker, that when these young people take all these points into consideration they will conclude that the government which now proposes further reform has given a clear indication of its sincerity by those measures to which I have referred, which already have been placed on the statute books.

At the same time, as I have already said, I believe there are matters in which we meet on common ground. I believe I speak for all hon. members of the house when I compliment the government on having so fittingly commemorated the landing of Jacques Cartier on this continent. That celebration recalls what an important part the members of his great race have played in the development of Canada, and it also reminds us how short a time one hundred years is in the development of a country. We realize how the old prejudices and differences of class, race and creed have been superseded by mutual understanding. We realize also that the original two great races have become, together with the other races in Canada, a solidly united force working for a common progress.

We contemplate with similar pleasure and satisfaction the coming celebration of the silver jubilee of the reign of His Majesty King George. I am sure that we feel that the bond of our allegiance to the empire has meant a great deal in the past, and I feel that it is stronger than ever at the present time, due perhaps to the times through which we have been passing. We have watched, with satisfaction and pleasure, the influence of the British empire throughout the world at various times when the forces of dissatisfaction seemed to threaten our very civilization. So we have every confidence in the future, and we believe that our children's children will appreciate to a greater degree what that allegiance stands for, because the test of that appreciation comes in our days of adversity.

I do not propose to keep this house longer. It is my pleasure to move, seconded by the hon. member for Quebec-Montmorency (Mr. Dorion) that an address be presented to His Excellency the Governor General to offer the humble thanks of this house to His Excellency for the gracious speech which he has been pleased to make to both houses of parliament.

Mr. C. N. DORION (Quebec-Montmorency) (Translation): Mr. Speaker, it is a redoubtable honour to be called upon, one of the very first, to open the debate on the Address in reply to the speech from the throne. I feel that this honour falls to the lot of the official minority of the country as well as to those kindly constituents who, in 1930, were good enough to charge me with representing them on the floor of this parliament. Heir to a mandate that so many illustrious names have made famous, that brought to this Chamber the Chauveaus, the Carons, the Fitzpatricks, the Pelletiers, the Casgrains, I should like at least as a modest disciple, to be the bearer here of something of the convictions that always guided their every act in public life. Those great public men took real pleasure in visiting as frequently as possible this riding with its twenty-five parishes scattered about the foothills of the Laurentides and on the Ile d'Orléans, where the inhabitants, more than elsewhere, have kept intact their pride of race and the nobility of their customs. Hence it is in their name, on behalf of the thousands of workers and farmers who go to make up almost the entire voting strength of the riding, on behalf of the salaried workers and their employers, the relations between whom are at the very foundation of justice and equity, and particularly on behalf of a numerically strong, and courageous youth whose ideals are still vibrant with the breath of life, that I intend to take part in the debate which has just begun.

It is meet that I should first express our regret at the resignation of him who, during the last four years, has presided with so much dignity and the freest independence over the deliberations of this honourable house. Always at his post, armed with a profound knowledge of parliamentary law, ever anxious to uphold for every one of the members the exercise of his rights and the enjoyment of his privileges, illness suddenly struck him at his task and forced him to retire to his member's seat. Those were the conditions under which you were called upon to succeed him, Mr. Speaker. The confidence thus shown you proves more eloquently and better than I might ever do, the extent to which your qualities are known and appreciated. Just as to your honourable predecessor we express our hope for his prompt recovery, in the same way are wafted up to you, sir, our homage and our heartiest congratulations.

It is also fitting to recall that with the year 1935 we are approaching the 25th anniversary of the coronation of Our Gracious Sovereign. The entire membership, I feel sure, will permit me to renew, in all humility, the expression of our attachment, of our loyalty and of our admiration. What a glorious reign, and how pregnant with history! What a fruitful and active career! What a series of imposing events have passed before our eyes since, on the death of Edward VII, His Majesty George V ascended the throne, and took in hand the rudder of the British Empire! While in other countries, throughout the universe, the most varied political systems were made and unmade, turned topsy-turvy; while here and there thrones that appeared as solid as a rock, were overthrown in tumult amid the violent shocks of revolution; while immediately after the armistice certain countries let down their masters, laid down their arms and launched headlong into the most venturesome experiments, the British Empire, thanks to Our Sovereign, thanks to wise guidance and the flexibility of British institutions, has remained intact and unshakeable.

Descendent of a Basque who, towards 1680, left France to till the soil at Charlesbourg, offspring of eight generations of ploughmen who remained faithful to their rights, to their language and to their traditions, a number of whom served as militia captains under the English regime, I am none the less proud to belong to a British nation and to have a

share in the freedom, whose supreme safeguard, may I say, is the Royal Family. And if, at times, we Canadians of French origin, have had to fight for the maintenance of our rights; if we have had to defend our heritage against the encroachments of the conqueror, our well-intentioned English-speaking countrymen, and they are greatly in the majority, will assuredly bear witness to our unflinching fidelity to the flag, to our treaties and to the constitution of this country.

Protected by that flag, relying on the substance of those treaties, and on the spirit as well as the letter of our constitution, we will never cease to demand justice and to exact the full blossoming of our liberties. If certain bureaucrats are still tainted with a spirit of francophobia; if, in certain departments we, of French origin, are obstinately refused the representation to which we are entitled; if, in certain places there be some who persist in the attitude of conquerors, we shall never cease to recall that we are at least the descendants of those who first occupied this country and hence are entirely at home here, not only in the province of Quebec, but throughout the length and breadth of Canada, repeating to ourselves the well-known sentence uttered by our chief himself: "You, gentlemen, are true Canadians."

Before speaking these words, the right hon. Prime Minister of Canada had accomplished certain things which gave proof of his broad-mindedness and which, quite properly, brought the applause of my compatriots. Despite the political partizanry of certain of our opponents, the Conservative party, with the support of such outstanding personalities as the hon. member for Labelle, enacted at the last session a bill, the purpose of which was the centralization of the federal translation services. It is pursuant to this act, that henceforth, as the hon. Solicitor General stated in Montreal, all the reports of the various departments, as also the debates of parliament, will be published simultaneously in English and in French. Of all the monuments that, on the occasion of the 400th anniversary of the discovery of Canada, have been erected to the glory of Jacques Cartier, this law and the results it has brought us this year are assuredly the most eloquent and the best fitted to perpetuate the work and the memory of the great navigator from St. Malo.

Mr. Speaker, last week it was given us to listen to the very moving speech from the throne. With religious attention we listened to a description of the present situation in this country and to the reforms that the government fully intends to bring about. Certain of our colleagues in this chamber have sat here for a great many years as the representatives of their constituents. I do not believe a single one of them will contradict me when I say that never, since confederation, has a speech from the throne been more imposing, more substantial, more fitted to revive confidence and to satisfy the legitimate demands of all the classes of our society. It was truly meet that the eminent statesman who, in 1931, came home from England with the Statute of Westminster, the definitive charter of our constitutional liberties, should gratify us now with another charter, no less important for the life and the salvation of our country, the great charter of our social freedom and economic liberation.

Like the more intelligent governing authorities of our time, the right honourable Prime Minister of Canada has grasped the very grave nature of the present situation. As he recalled during the very first of his series of speeches which raised to the highest peak the confidence of Canadians, and left speechless the most loquacious of our opponents, the economic system must be reformed whatever the cost: "Great changes" (I quote) "social as well as economic, have taken place in the life and in the organization of every people, grievously upsetting the operation of the established system. What we call the crash of 1929 was in reality the crash of the system: the mechanism was worn out."

A brilliant French economist, Lucien Romier, has told in striking fashion the story of the evolution of capitalism, the road it has followed since the war, the disgraceful state it is falling into to-day. He recalls that in olden times credit had but one source: thrift. The undertakings thus born kept their individual or family characteristics, they were free and independent. At the head of them were to be found real employers, people who were directly interested, whose invested capital did not come from the small savings of lesser people, but was their own money, fruit, very often, of the toil and thrift of several succeeding generations.

Before launching into divers enterprises, more or less certain, before risking fortunes acquired through so much toil and honesty, they weighed things carefully and measured in advance the consequent responsibilities. Before taking a single step forward they would quietly feel with their foot the path before them, to make sure that there was no hollow space anywhere beneath, no hidden bog to entrap them.

All was measure, balance, honesty. A good reputation was as important in such under-

takings as was the capital itself. There was no question of turning out goods beyond the consumer's needs, of setting up machinery far too costly and of a useless luxury, to experiment ceaselessly. I know of certain businesses in the city of Quebec which were founded on these methods; they have waxed wealthy thereby and during the present depression they have been a shining example. I could mention many of these men in commerce and in industry, who are well known and solidly established, who never had recourse to the thousand and one tricks that are fashionable in the world of high finance, and which the royal enquiry begun last year has shown up in all their hideousness, together with their baleful consequences.

By the side of, and to the detriment of, this sound, honest, worthy capitalism, has sprung up another form of capitalism, infinitely less appealing; it brought with it a host of fraudulent, shady tricksters, who, often under cover of our laws, have exploited the people, deceived the public, and lived opulently at their expense. In this way the multitude of individual fortunes and of independent enterprises, with their character of personal liability which was their guarantee, have been replaced little by little, by groups of capitalists, banking syndicates, industrial mergers, and combines of all kinds, sometimes, but not often, of public necessity—like the railways for instance—but generally to the direct detriment of the masses.

Under the false pretense of developing industry, of opening up natural resources, of improving trade and commerce, even those entrusted with the responsibility of government were caught in this net, offered the schemers the credit of their names, the grace of their privileges and even the help of their laws. In the province of Quebec, which was a veritable paradise for this sort of thing, our raw materials, our water-powers, forests, mineral deposits, in a word all that might ensure our well-being fell into the hands of a few people, whose sole object to-day is to exploit our population. It is with unmentionable cynicism and sans-gêne that the Taschereau administration threw away our inheritance, in return for the appointment, as corporation directors, of several of their ministers.

In one of his speeches prime minister Taschereau himself gave the following figures which tell quite a story about such business methods: In 1920 we had 100 paper mills, and 109 in 1930. The production, in 1920, was valued at $100,000,000; by 1930 it had more than doubled, reaching $215,000,000. But here is the interesting side of the story: In 1920 this industry represented an investment of only $22,000,000; but by 1930 the figure had risen to $714,000,000, some thirty-three times the original capital. A little figuring will show you that if production had increased, in 1930, in proportion to investment, it would have reached the fabulous sum of $3,245,000,000. As to salaries, there was no change whatever: In 1920, 31,000 employees received $45,000,000; and in 1930, 33,000 employees received the same amount, $45,000,000.

To me these figures appear overwhelming. While they indicate a shameful overcapitalization, encouraged, authorized, legalized, by those entrusted with political power, they show, at the same time, to what extent such business practices are prejudicial to the workingman, and how little the latter is protected. It is exploitation not only of money-capital; it is especially, as has been said, the exploitation, or rather the enslavement, of human capital.

Last year serious trouble occurred in the Abitibi lumber camps; and a few individuals were sentenced to prison. Is it really surprising that such seditious occurrences should take place when these corporations, under cover of our laws, obtain their labour on derisive terms, take advantage of unemployment and of the supreme necessity for the worker to earn his livelihood, and really speculate on extreme poverty and human misery? To remedy such a state of things the Canadian people have never been able to rely on the disciples of Liberalism who, forgetting the facts and the pitiable state of our proletarians, prate—like Mr. Taschereau, for example—of the uselessness of all social legislation and upbraid all interference, by the state, in business.

It remained for a Conservative government to champion at last the radical remedies needed to cure these ills and to bring back to the minds of these egotists the great laws of justice and of social charity. The speech from the throne informs us that we shall have a Minimum Salary and Wage Act, and that the hours of labour will be strictly controlled. Contrary to the opinion of Liberal economic theorists, the old law of supply and demand is, in the matter of wages, most unfair and the cause of disorders of the worst kind. It is not sufficient to ensure the worker a certain remuneration, even if he accepts it; what must be done is to pay him a decent wage, a fair salary, one that will allow him to provide for himself and his family.

I have mentioned the paper industry to illustrate the kind of capitalism that this

Conservative government intends to fight to the bitter end. What shall we say, now, of the innumerable corporations which go to make up the power trust, against which our own economists have launched one of the most ardent and most vigorous campaigns? In a most painstaking study Dr. Hamel, of Quebec, proved, figures in hand, that the Montreal Light, Heat & Power Company pockets a return of 70 per cent on an investment that has already been repaid four times over.

A last example among a hundred: the organization of Canada Power & Paper. With assets of $58,000,000 distributed among several companies already overcapitalized, they have found some way to set up a new company with an alleged capitalization of $168,000,000, without adding one bit to the real assets of the company or increasing their value in any way whatsoever.

This unhealthy capitalism, born of the greed for gain and the absence of all Christian spirit, has been upheld partly by the perversion of our economic system and the favour of certain legislators too irresolute or too weak-willed to react vigorously and legislate in such a way as to punish the malefactors and make them desist from their immoral practices. Last year the Conservative government made radical amendments to our federal Companies Act, made it better, more drastic, more in consonance with the immutable laws of justice. This year the speech from the throne takes up this theme once more. In accordance with his plan of social and economic restoration, the right hon. Prime Minister of this country intends to protect the thrifty against exploitation and to put an end to the evils which were in large measure responsible for the crisis through which we have just passed. The issuing of shares with no par value, source of the most fraudulent dealings, should be prohibited, and all who transgress the law, instead of being merely made to pay a fine, should be treated as common criminals.

The dual jurisdiction, provincial and federal, sets up very real obstacles, a problem that our legislators should strive to solve. What would be the use of our federal statutes respecting companies if speculators can still invoke our provincial legislation? Uniformity in such matters is imperative. It would be absurd to declare criminal what elsewhere would barely be thought illegal.

At the time of the inquiry into the affairs of the Beauharnois we had occasion to realize how disastrous could be the consequences of this dual jurisdiction. Millions of dollars were literally swallowed up by this gigantic undertaking, so carefully promoted by unscrupulous financiers, and organized and brought into being through the connivance of venal politicians and thanks to the unpardonable approval of Liberal governments at Quebec and at Ottawa. As is usual in such matters, the investigation conducted by the Conservative ministry brought out the fact that part of the money taken from the people's savings had been diverted from its proper purpose, had gone to fatten campaign funds, to purchase influence and satisfy the appetites of certain friends of the party in power. Rumour has it that this same company is presently striving to obtain further privileges from the federal authorities. We have full confidence that the government, before granting this request, will exact all the necessary guarantees for the protection of what is left of the money already invested in the enterprise, and will make doubly sure that any such new powers will not further encourage the development of the Power Trust that dominates the province of Quebec.

It will always be to the honour of the Conservative government of 1930 that, with uncommon persistence, it turned the searchlight full on the darkest corners of our commerce and of our industry. Following the probe into the affairs of the Beauharnois Company, an enquiry no less interesting was ordered by the hon. minister of Labour, into the organization of the Coal Trust and the scandalous profits it had amassed on the border-line of the Act respecting combines. It is to be noted, Mr. Speaker, that this form of exploitation is not of very recent origin. On February 13th, 1923, under a Liberal administration, when the federal parliament was amending the act, the hon. member for Winnipeg denounced the trust on the very floor of this house, and begged the government to intervene. Despite the magnificent promises made in reply by the right hon. leader of the opposition, then Prime Minister, we had to wait for a change of government before, at long last, the voice of the people was heard, heeded and respected.

Nevertheless the inadequacy of the said Act of 1923 has been more than proven. Rather than make the guilty parties common criminals as suggested by the Right Hon. Arthur Meighen, the act allowed them to avoid any unpleasantness with the courts by paying a fine which might reach as high as $25,000. Once the thing was done, the companies had merely to resume their combine practices so prejudicial to the public interest. The Coal Trust, in our province,

has been condemned; but prices to-day are higher than ever before, and independent competitors find organization and development impossible. On this question also the speech from the throne makes precise statements which will doubtless prove very tiresome to the masters of finance, but which will surely bring rejoicing to the common people who want freedom and honesty in business.

The royal commission instituted last year and which, since that time, has pursued a relentless inquiry into the spread between production and consumption prices, has enriched the government of this country with a mass of substantial and fruitful evidence. With prejudice toward no one, but also without fear or favour, this governmental commission has done its utmost to discover the deep-lying causes of economic unrest, to bring to the searching light of day the why and the wherefores of the faulty distribution of wealth, and to provide the authorities of our country with all the information necessary for the emendation of our social and economic legislation, which thus will be brought more in consonance with the dictates of justice.

On this point, as on many another, reforms have already been instituted, reforms that our Canadian public have promptly taken advantage of. The Natural Products Marketing Act met with an enthusiastic reception from all classes of our population, but more particularly from the farming community, the members of which have up to now been the victims of parasitic enterprises, promoted against the interests of both producer and consumer, which strove to widen the gap between the two, and kept the cost of living abnormally high at a time when prices paid the producer were relatively low. To these reforms the Conservative government intends to add another by putting the benefits of these laws within reach of a still greater number of our citizens.

At a time of trying stress like that through which we have just passed, when nations everywhere put aside temporarily all internal dissension, we have witnessed in Canada the shocking spectacle of a narrow-minded, obstinate and, at times, senseless opposition to every governmental proposal. There must be criticism, opposition, destruction, at all costs. As was so eloquently recalled by the Prime Minister, those who under their administration had allowed the development of a false and artificial prosperity, the growth of a disgraceful and unwholesome capitalism, pushed their impudence to the extreme of trying to prevent the application of the remedies that their very own policy had made necessary.

Mr. Speaker, if we had not had to face a faulty distribution of wealth; if wise enactments had made the organizing of trusts and monopolies impossible; if as early as 1920 the doors had been closed to immigration; if the whole system of legislation initiated by the honourable leader of the Conservative party in 1930 and continued since had been established just after the war; when the honourable leader of the opposition came into power; in short, if honourable gentlemen opposite had been equal to their task, instead of being so lavish of vain words and thoughts about the happiness of mankind or universal disarmament, I sincerely ask you: Would the depression subsequent to the crash of 1929 have occurred? Would we have had, in so rich and so vast a country in relation to its population, to suffer so severely from the crisis?

As a matter of fact our Liberal friends are prone to forget that it was in 1929, under their own regime, that illusion started to vanish. It was indeed in 1929 that the masses became frantic, that business suddenly diminished, and that the plague of unemployment started to show its effect. The evil was done when the Conservative party came into power in 1930. However, thank God, the Canadian people had understood how serious the conditions were and called to their bedside a doctor possesed of remarkable strength and intuition. He set about the task with vigour and fully determined to overcome the evil, sparing neither his time nor his health, leaving aside all that was not in the sphere of his public duties, and risking, if need be, his popularity, better to accomplish the task which had been entrusted to him.

Commenting on the speeches which he delivered early this month, a newspaperman from L'Action Catholique, of Quebec, Mr. Eugene L'Heureux, wrote these most significant words: "Since he presides over the destinies of this Dominion, Mr. Bennett appears to us as a man uncommonly well gifted with intelligence and courage. Our sympathy for Mr. King and some of his colleagues does not prevent us from considering the present prime minister as a man uncommonly well fitted to govern in these very hard times." To those who may reproach him with his policy, we need but point out its benefits and excellent consequences in every field of national activity. If we are at last recovering; if the economic condition of the dominion improved to an unexpected degree, more especially since the last eleven months; if our farm production has increased by more

than fifteen per cent; if our manufactures have been able to register an increase of at least eighteen per cent, we most certainly owe it to that system of agreements entered into by the various parts of the British Empire and to the various treaties that Canada made with other nations.

Employment increased by twenty-four per cent. The building trades recorded an advance of thirty-five per cent. Car loadings increased by fifteen per cent, which enabled our railways to improve their position and to raise their revenues by 11·5 per cent in the case of the Canadian National Railways, and 10·4 per cent for the Canadian Pacific Railway. Our international exchanges, importations and exportations, have increased 52 per cent over last year, leaving a trade balance of more than $124,000,000 in our favour.

Logically the tendency to improvement is bound to become stronger. The Bank of Canada will undoubtedly play a great part and is bound to be of great value to us. The farmer, on his land, feels better protected against the uncertainties of life and the difficulties with which he has been left so long to struggle. The Farmers' Creditors Arrangement Act is perhaps, among the good deeds of this government, that which produced the best results, and best served to restore courage and confidence among the creditors as well as the farmers themselves. One of my constituents who took advantage of the act, assured me that for the first time in three years he felt at ease, and that he never so heartily took to his daily labour.

Last year, in that same respect, we amended the Farm Loan Act in order to facilitate loans and thus to keep on his own land the most essential worker of our economic system, I mean, the toiler of the soil.

The speech from the throne informs us that we will do still better this year. I wonder whether we should not take away the administration of this act from the provinces. This duplication of jurisdiction does not appeal to me. How many times, in Quebec, did they try to throw certain cumbersome responsibilities on the Dominion government? How many legitimate requests were denied? How many inhuman proceedings were taken against poor farmers who were temporarily unable to meet their obligations. We should have a purely federal organization, absolutely free, and above all political parties, to which the working and carrying out of that law would be left entirely.

There are probably many more suggestions just as practical which could be made in connection with this government measure and also with many equally interesting problems. To give these problems, whether they be of a general or particular nature, a quick, adequate and really effective solution, the authorities have a right to depend on the co-operation of specialists, selected among the various business and social activities. It is with that understanding that the government informs us of the creation of a national economic council, "medium of deliverance and salvation," to use Mr. Eugene L'Heureux's words, who added the following very interesting comments in L'Action Catholique of January 16:

> "An era distinguished by a more intensive and more refined production than the preceding one, but in the course of which the proportion of men being a public charge increases, is not an era of progress; it is a backward step for civilization and a disgrace for the Christian world. None but satiated egotists could tolerate such disorder. The people responsible for that disorder are certain financiers, dictators of trade and industry, tormentors of the farmers and often bribers of public institutions. Until we have taken away from pretentious and incompetent people the control of the economic world to place it in the hands of the governing authorities acting on the advice of the best economists and sociologists of the nation brought together in an organization such as the Economic Council, that disorder will continue, with its hardships, its atrocities, its instigations to revolt. . . . That is why the prospect of an Economic Council at Ottawa really is cheerful."

The situation thus depicted by Mr. L'Heureux, who cannot be said to be a socialist, is that which I have attempted to describe in this already very long speech of mine, and it justifies more than ever the intervention of the state and the substitution of its power to that of the money interests. With the Liberal economic doctrine we had been used to leave to the individuals some prerogatives which essentially belong to the state and to ignore certain principles of government. If the people put themselves under the authority of a concrete power, of a master, it is because they have always felt the necessity of a proper equilibrium between the various classes of their community. The great theorist of the Thomistic school, in some pages still very much of present interest, although they were written in the thirteenth century, thus described the part of the government: "The state is the collective power that protects the free development of the individual faculties and sees that none usurps the right of another."

The plan put forward by the honourable Prime Minister and the reforms asserted in the speech from the throne will at last enable the state to recover the part which properly is its own. It will thus more easily promote the common welfare, correcting what

is faulty and improving what is good. No more futile opposition, opposition of words and purely of a political nature. In the exceptionally peculiar circumstances that we are going through, in the face of these proposed reforms which the whole country has welcomed with joy and enthusiasm, and which are after all the logical sequence and like the completion of the government's achievements during the last five years, under the authority of a leader whose superior intelligence and courage all independent minds are pleased to acknowledge, we must necessarily work in unison, leave aside our respective prejudices, gather together in one alliance all the men of good will in the country.

It was to the men of good will that He who was bringing to mankind a cure for its miseries was addressing His message, twenty centuries ago. He came to revise the great truths of the Decalogue, which had been too long forgotten, as in our time. They were however, just as they are to-day, the only expressions of social justice, the only ones capable of reviving in this world the thoughts of peace, justice and charity.

Let us hope that we may honour again these prescriptions and recover these fundamental notions with their full christian meaning. Let us hope that we may contrive that the community recover its balance, that the state make use of its rights with regards to the rich and poor alike, that it be more and more the champion of the weak, of the common people, of the oppressed, the arbiter of uneven battles between the oppressor and his victims, the stern guardian or order against the forces of disorder. Let us hope that we may come back to the notion of a really humane capitalism, that shares in the moral virtues of thrift and loss, and will drive into contempt all these enterprises which persist in acting contrary to the dictates of justice.

And it is because I am confident that the reforms proposed in the speech from the throne are based upon these principles and calculated to bring happiness to our Canadian homes, that I have the honour, Mr. Speaker, of seconding the address of the hon. member for Dufferin-Simcoe.

Right Hon. W. L. MACKENZIE KING (Leader of the Opposition): Mr. Speaker, it is customary for the leader of the opposition, when he follows the mover and seconder of the address to extend his cordial congratulations to the hon. members upon the manner in which they have discharged their duties. This custom, like all other customs of parliament, has its foundation in a substantial reason. It is the rule, where the government can find it possible so to do, to ask newly elected members of the House of Commons to move and second the address, and this gives to the leader of the opposition the privilege of being the first to extend to political opponents his congratulations upon the manner in which each has delivered his maiden speech. Well, the fact is that, since parliament last assembled, we have had five by-elections, and as hon. gentlemen opposite know only too well, there is but one member out of the five who has been returned to the house who now occupies a seat on the government benches. The fact that this new member has not been asked to be one of the number either to move or second the address to my mind rather suggests that perhaps his speech would not be as welcome to the government as that of the gentlemen who have been selected for this purpose.

I might further draw your attention, Mr. Speaker, to another fact, and that is that apart from the five vacancies which have been filled, this house meets to-day with four vacancies in its membership. They are vacancies in the constituencies of Halifax; St. Denis, Montreal; East Algoma, in Ontario; and Long Lake in Saskatchewan. There are, as I say, these four vacancies. Why is it that we have not had some newly elected member of the house from one or other of these constituencies to move and second the address? There are two possible reasons. One is that up to the present time the government has not seen fit to bring on by-elections to fill those vacancies, and the reason the government has not brought on those by-elections is that it feared that if they were brought on the results would be what they were in the last five by-elections. In other words, the government has lost confidence in itself, and lost so much confidence in the support it is likely to receive in the country that it would not venture even to bring on by-elections to fill vacancies that occurred—two of them in the month of September last, one of them on the first of October last, and the recent one on January the first. With respect to the last mentioned it would not be expected that that vacancy would be filled by this time, but with respect to the other three there can be no justifiable reason or excuse why this House of Commons should assemble for another session without its representation being as full and complete as it is possible for the government to make it. Had there been members returned from those constituencies I have no doubt the government would still have had to go to the hon. member for Dufferin-Simcoe (Mr. Rowe) and the

hon. member for Quebec-Montmorency (Mr. Dorion) to move and second the address, because in all likelihood the gentlemen who would have been returned would have now been sitting on this side of the house. Perhaps in the circumstances my hon. friends on the government side who have moved and seconded the address will pardon me if I am not too profuse in my congratulations in respect to what they have said. They are both becoming old members of the house. While I cannot congratulate them on what they have said, I can at least congratulate them on the rapidity with which they have followed their leader in making a volte face in relation to the policies which they have supported and advocated up to the present time. The new regime of regimentation in thought as well as in political action is being demonstrated very effectively by what we have thus far heard.

Now Mr. Speaker, may I thank the hon. member for Dufferin-Simcoe for his kindly reference to the health of the Prime Minister and myself. I am happy to say that I am in the best of health, and am happy to see the Prime Minister in such good health; I think we shall each require in the next few months all the health that may be vouchsafed us by a kindly Providence.

My hon. friend remarked that I had been conspicuous by my silence. I must thank him for drawing the attention of the house and the country to that circumstance. His leader has been telling the public over the radio that he encountered nothing but opposition from the leader of the opposition, that every time he has risen to put forth a reform, or has discussed anything in parliament for the well-being of the people, the leader of the opposition was there opposing him, and that his government had been opposed and opposed by those who sat opposite to them. Well, my hon. friend has at least drawn attention to the fact that as far as the Prime Minister's radio broadcasts are concerned he has had an open field, and had it all to himself. I cannot imagine anything that could be more congenial to him than a monopoly in any field, unless indeed it were in every field.

I should like to join with my hon. friend and his seconder in extending congratulations to the two hon. gentlemen who since our last gathering here have been appointed ministers of the crown, my hon. friend the member for York-Sunbury (Mr. Hanson) and my hon. friend the member for Yale (Mr. Stirling). Both these gentlemen have been members of this house for a long time. I could not help thinking when I read of their appointment how relieved they must have been to recall that early in this parliament the government, realizing its own weakness, had taken care to see that any hon. member who might be appointed to the government would not have to go back to the country and get the endorsation of his constituents. These gentlemen had not to follow that old custom. After all it was not such a bad custom. I had a certain sympathy with the idea of not obliging ministers to seek re-election immediately after a general election, but in cases for example, where appointments are made after a government has been in office three or four years and has failed during that time to carry out any of its promises, I think that the old custom of allowing the electorate an opportunity to express their views of the administration in as many ways and at as many times as may be possible is one that might well have been preserved. However, may I say that I think all of us on this side of the house are pleased that these hon. gentlemen have received at last such marked recognition of their abilities and their political services. I extend to them our very warm and cordial congratulations. If they will permit me to give them one little word of counsel as well, I would say that as from the signs of the times it would appear that their tenure of office is not likely to be very long, they should do all they possibly can in the time at their disposal to enhance their reputation as ministers of the crown, because this may be the last chance they will have.

My hon. friend, the former Minister of Pensions and National Health (Mr. MacLaren), the hon. member for St. John-Albert, who has retired, is I understand to receive in the course of a short time an appointment to a very high office in the gift of the crown as a reward for his resignation. That appointment might perhaps have been made sooner but for the fact that if thereby a vacancy had been occasioned a by-election would of course have been expected; but now we have reached the last session where it is the case that a vacancy may remain unfilled, provided it has not occurred prior to the session. So no doubt we shall be seeing the hon. member for St. John-Albert receive the high appointment which we understand is coming to him. May I say that when that appointment comes he will have the best wishes of all hon. members on this side of the house.

Some hon. MEMBERS: Hear, hear.

Mr. MACKENZIE KING: We hope he may be long spared to fill the high office, as we believe he will, with every credit to himself and to his native province.

As to the ex-Minister of Trade and Commerce (Mr. Stevens), we shall probably hear so much in the course of this session as to the circumstances surrounding his resignation that it may be as well for me not to comment upon it at the moment. There is, however, one pertinent circumstance which I think must be apparent to all, and that is that not only has the government realized the extent to which it has lost the confidence of the country as indicated, from its unwillingness to fill vacancies that already exist, but that the minister who resigned did so because he had no confidence in his prime minister. The ministry to-day is without the presence of the ex-Minister of Trade and Commerce for the simple reason, as he has publicly stated and as is set forth in the correspondence which the Prime Minister tabled the other day, that he had not confidence in the Prime Minister's intention to carry out any reforms worthy of the name. These are all interesting circumstances and bear immediately upon the situation with which above all others this session of parliament is faced.

At this point I shall have to cease the compliments and come more immediately to the circumstances which have brought us together.

We have been told by the Prime Minister that the old order has gone. I must confess that when I think of what had occurred since the beginning of this new year, it seems that perhaps what the Prime Minister says is correct, that the old order has gone. But let us distinguish carefully as to what phase of the old order we refer. The old order is a pretty big order, if I may use that expression, embracing social conditions, industrial conditions, political conditions. Most of us as members of a British parliament had, I believe, rather hoped that the old order of parliamentary government as carried on under the British crown would be an order that would be preserved in this country, and not an order that we would discover was gradually disappearing, if not already gone. Let us stop for a moment to consider the old order of things as those of us who are members of this house recall it.

Usually when His Excellency the Governor General announced that he was summoning parliament and wished to have the attendance of hon. members in order that he might communicate to them the business for which he had called them together, hon. members waited until parliament was summoned to learn what the business was. They have felt that that was a courtesy at least that was owing to the sovereign or his distinguished representative. That custom as far as I am aware is one that has been followed in British parliaments everywhere, until this year. But someone greater in his own estimation than the crown's representative has appeared, and we are now beginning a new method of having the contents of the speech from the throne disclosed to the general public, before they are made known to hon. members of parliament. Is it not a time honoured custom, Mr. Speaker, that the speech from the throne is supposed, and rightly so, to be the first intimation to be given to hon. members of parliament with respect to the business for which they have been brought together at the call of the sovereign or his representative. Hon. members of parliament have not in the past become acquainted with the subjects which they were to discuss through the medium of newspapers or over the radio—by no means. They have usually waited—not very long; only a few weeks—until they had the privilege of meeting the sovereign's representative and hearing from his own lips what were the measures which upon the advice of his ministers were to be submitted to parliament. That old order apparently has gone, and I do not know that because of this fact we in Canada are any better off.

Further, it is customary where through the speech from the throne a government makes a statement of policy, or many statements of policy, for the ministry to have had ample opportunity carefully to consider and to mature the various plans proposed in the several policies. Whatever is contained in the speech is supposed to represent the carefully matured views of a united ministry, views that have been discussed in the cabinet, and which have been so formulated as to leave room for no possible divergence of opinion between colleagues. I wonder if that is the case to-day with respect to what appears in the present speech from the throne.

But let me go a step further, speaking of the old order which the present Prime Minister tells us is gone. Under the old order, when a prime minister put forth far-reaching policies, he was supposed to have sought and obtained the substantial backing of the members of his own party voluntarily given, not a backing that had been brought about by some order or command as under a Fascist regime. He was supposed to have had the benefit of the carefully thought out views of his party as expressed either at a convention or in conference or in the party caucus, so that he would be able to state without equi-

vocation that the views and policies he was setting forth were those of the members of his party. Is it not true also that under the old order members of parliament, when they came together to discuss with ministers of the crown what were to be the policies, sought more or less to represent the views of the constituents who were members of their political party, and that in presenting those views they interpreted their party as meaning something more than simply their own membership. Is it not true that those for example who had been supporting them for years in the press as journalists, those who had been assisting them in various other ways to become a party in office and to be given the opportunity to make the laws of the country, were supposed to have been consulted? But what have we to-day? All this is completely changed.

The old order has gone, the Prime Minister tells us; yes, it has gone in regard to some of the things that are best, some of the things that make for security. The speech from the throne has a paragraph or two respecting the Prime Minister's plans with reference to social reform and security. But what is to become of the services and security that are to be given workers and industry if the very foundations of government are being made insecure by the method that is being taken to attain these alleged ends?

I would ask whether it is not a fact that, before His Excellency the Governor General had had any opportunity of acquainting hon. members with what was to be the business which they were called together to consider at this session, the Prime Minister of Canada himself had not declared over the radio in a broadcast that the speech from the throne would contain such and such measures, such and such policies, mentioning in specific language that they would be set forth in the speech from the throne. It may be that that is part of the new order, but I confess that, in these particulars, I rather like the old order, under which some courtesy is still extended to the crown, and some recognition taken of the crown's position in matters of the kind.

But let me go a step further. Do we not meet here to-day with statements of policy set forth in the speech from the throne, which members of the government themselves have had no opportunity carefully to consider? It is an open secret that many of the things which the Prime Minister said in his radio broadcast as to the policies of the Conservative party had never been the subject of discussion with his colleagues in council, that he was speaking on his own, giving his own plans? And in justice to my right hon. friend, it must be said that if you read his speeches you will find that he does not speak of the plans as being those of the government, but as "my plans". And we find the same thing with regard to the designation of the government. In all his speeches my right hon. friend talks about "my government". I have in my hand a copy of the speech from the throne and I find that His Excellency the Governor General has this expression, "My government has under consideration." Whose government is it anyway, may I ask? Is it the government of the present Prime Minister or is it the government of His Majesty's representative in this country, the Governor General of Canada? I suppose, as to which it is, is a matter of the new or the old order.

Now these by some may be said to be small things, but they indicate the difference between the old order and the new. Under the old order there was such a thing as collective responsibility of the ministry; ministers held office from the crown itself and were responsible to those who were elected as the people's representatives in the house. But under this new order which we are entering upon it is "my government"; not spoken by the king or his representative but by the Prime Minister. It is not "the government" but "my government", "my ministers". That is very significant; it is exactly what we see in Italy and in Germany. We find the leader of a political party there talking about "my government", "my ministers" and the like. As one German chancellor said with respect to some of his ministers and the conditions of government as carried on in a time of autocracy, "Everyone is free to speak his own mind, but God help the one that does." As I look at the vacant seat where the ex-Minister of Trade and Commerce should be sitting to-day, I cannot help thinking that someone ventured to speak his mind but probably spoke a little too quickly. However, there is the position.

I say, the ministry has not considered this so called reform policy, has not been united upon it, knew nothing about its scope or extent or its implications, until it was announced by the Prime Minister himself. And I go a step further and say that apart from the ministry, hon. members opposite have not so much as been consulted; yet they are all members of the Conservative party, returned to this house as members of parliament and as such immediately responsible for the policies of their party. We are told that they are having a caucus. When? To-morrow

morning. They are having a caucus to discuss these policies, and to-morrow they will learn the reasons why these particular policies are what they are. And they will be told exactly how they must face, and what they must say, and what they are to do, from now on. That is the new order.

But even when that step in regimentation is over there will still remain the bringing into line of the supporters of the Conservative party throughout Canada; and until we know that the Conservative party as such has favoured all these plans and is prepared to stand behind them and see that they are put into force if the party is returned to power, we shall not know whether, when the Prime Minister says, "This is Conservative policy," he speaks for his party or only for himself. These things are, I think, most significant. They may be considered as a prelude to what is to follow.

There was another part of the old order which, I believe, was important, and that was that a ministry which admitted its policies had failed and found it necessary to create new ones, before seeking to implement new policies by legislation went to the country and placed its policies before the people so as to give the people a chance to consider the new policies and to judge of their value. A ministry which had reason to believe that it had lost the confidence of the people, under the old order of the British system of government usually tendered its resignation to the crown; though some ministries, I will admit, have hung on to office for a longer time than they should. The whole spirit of the British system of government is that government is carried on, not by arbitrary powers secured by a mechanical majority, but by the consent of the governed as known, and when there is reason to believe that consent is withdrawn and that the government no longer enjoys the confidence of the people, then any government that is worthy of the name, any government that is at all true to British traditions in matters of responsible administration of public affairs, will forthwith tender its resignation, and ask that another ministry be formed, or will ask for immediate dissolution.

Can there be any doubt as to the present government not enjoying the confidence of the people? What is the present government's position in that regard? The surest way of knowing is the results of the by-elections. We have had several by-elections since the Imperial Economic Conference which was held in Ottawa in the summer of 1932 and which was referred to by the hon. member for Dufferin-Simcoe (Mr. Rowe), and what has been the result? Since then, there have been ten by-elections altogether, and of the ten held in all parts of Canada the government has not carried a single by-election, with the—

An hon. MEMBER: What about Three Rivers?

Mr. MACKENZIE KING: That was part of ancient history. I am speaking of the period since the meeting here of the economic conference in 1932, and this is 1935. Since then the government has lost every by-election with the exception of one, that of East Toronto, where the Conservative candidate succeeded in getting in by a minority of the votes cast, by taking the position that he was not very enthusiastic about his leader, and by having as his chief support the ex-minister of Trade and Commerce (Mr. Stevens) who has since been obliged to leave the ministry.

May I say it is the more remarkable that the old order should have changed so suddenly in that the Prime Minister himself only a few months before took a sort of recognition at least of a part of the old order when he reprimanded his then Minister of Trade and Commerce for having violated what is one of the old established practices and rules of this house, namely, that of not discussing in public matters which are still within the purview of a committee of the house more especially where, as in the case of the ex-minister, he was chairman of the committee. The Prime Minister also criticized his former minister of Trade and Commerce for attempting to proceed as a royal commissioner after having made public statements, some of which, if I am not mistaken, the Prime Minister alleges were incorrect. Further, the ex-minister was asked to apologize before continuing his work as a commissioner, in order that some of the old order might still be maintained and that there might continue to be confidence in a public servant discharging a public trust. Having lectured his colleague to the extent of causing him to feel that there was nothing to do but to resign, the Prime Minister himself might have been a little more careful about preserving some of the customs and constitutional usages which are very dear to the hearts of all who love free institutions and want to see them perpetuated in this country.

But are we so sure that the old order has gone? That the old order with respect to British parliamentary methods in this parliament has gone is apparent; it has been apparent in the last few sessions. On occasions in the past

the Prime Minister has criticized me and hon. gentlemen on this side for having taken up a considerable amount of the time of the house in discussing constitutional questions. May I say that we have done so because we have looked upon the constitution of our country as the safeguard of its liberties and as the home of its freedom. When I have seen steps taken which I have believed were gradually dismantling the constitution, gradually destroying the home of the freedom and liberties of the people, I have opposed them just as strongly as I possibly could, and I shall continue to do so no matter by what name measures of the kind may be designated. I shall continue to look with a great deal of care, not upon the alleged but upon the real purpose lying back of each and every measure as disclosed by some of its provisions. That has been the occasion of such opposition as the Prime Minister has had in this house to any measures he has introduced. The opposition has not been to what was good in any measure; it has been to what there has been of stealthy alienation of the authority and control of parliament over many aspects of public affairs. I shall not at this time enumerate them; I may however, follow the Prime Minister's example by saying a few words over the radio some evening and on that occasion I shall attempt to set forth some of these alienations of the authority and control of parliament, and to answer some of the Prime Minister's statements.

It was hardly a chivalrous thing on the part of the Prime Minister to take advantage of the period between the first of the year and the assembling of parliament, notwithstanding the violation of all precedents, to go on the air for six nights in succession, with an interval of, I think, one evening between each broadcast, and, in this favoured position, not only to state his own policies, but to undertake to state what were the policies of the Liberal party and what the Liberal party had and had not done. The most extraordinary of all his performances was the last one of the series delivered over the radio, in which the Prime Minister engaged in that heroic shadow-boxing with myself which entertained the public from one end of Canada to the other. We all know his love for monopolizing the powers of the legislature and the functions of the executive, but in this recital he appeared in a new role; this time he undertook to monopolize the functions of the judiciary. I am not surprised at that; I am not surprised at anything the Prime Minister may do in the way of monopoly effort of one kind or another. He must have the stage to himself, even though all his colleagues be crowded out of sight. The Prime Minister has said that he thought the judiciary was a more important branch of government than the legislative or the executive branches. I must say that I thought it was an extraordinary position for the head of a government to take. However, that is what he has said; so I was not surprised when, the other evening, I saw the importance he was attaching to the judiciary.

What did he do? Well, not satisfied with being the presiding judge, he began at once to act as prosecutor. As leader of the opposition, I was the poor victim, the prisoner in the dock. He started his prosecution, but he went a step further. He constituted himself also counsel for the defence, and began to defend me. I confess that, as I listened at the radio that night, I said to myself, "Heaven help me if I am in that man's hands for defence. I do not believe, however, the public will be quite so dense as to believe that what he is saying about my party and myself is correct, or that all the admissions he is making on my behalf are accurate." But that was not all; he was the jury as well. He presented the case to the jury, both as prosecuting attorney and counsel for the defence. Then, after the jury had retired in this imaginary scene, he came in as judge and pronounced that the Liberal party stood for laissez-faire, that it never stood for anything else, and that what Canada needed to-day was government control of all industry, that there must be a policy of interference with industry, a policy of state intervention. This was to be called reform; reform, that was to be the issue. Well, that may be part of the new order, but I tell the Prime Minister that it is a pretty cheap order.

But again may I ask are we so sure about the passing of the old order? We know that much that was best in it is passing, but what about the worst? What was the old order? Essentially, in the minds of the people, the old order is that order of things which pertained to the days of feudalism, an order that stands for autocracy in government, in industry and in social relations. Feudalism with its various embroideries and accessories of one kind or another. I wonder if the restoration of titles in this country is a part of the new order, these knights and ladies that the Prime Minister is determined to bring back to the scene, as the all important personnages in our midst, knights and ladies of the order of St. Michael and St. George, of the Order of the Bath, of the Order of the British Empire. Are all these part of the old order that has gone, or are they part of the new deal, the new order that we are to have? I must say that

I think there is need for careful consideration of just how this new order is being constituted, more particularly when we recall that the decision that there should be an end to titles in Canada was a decision of this House of Commons, set forth in the form of a resolution, a resolution which even yet has not been rescinded, though the old order we are told is gone. The old order did pay some attention to resolutions of the House of Commons which were supposed to be expressive of the will of the people, but the new order expresses apparently only one will, and that according to the Prime Minister's view is his own.

May I say just a word with regard to the new and the old order in relation to industry. The Prime Minister says the thing that, above everything else, needs to be reformed to-day is the capitalist system, yet he is going to reform the capitalist system by bringing in legislation which, while possibly very necessary, only touches the fringe of some of the evils of the system. The legislation proposed keeps very carefully away from the heart of the system which in the main is responsible for those evils; it does not touch that, but it touches the fringe of some of the evils. What is the very essence of the capitalist system? It is that industrial policy is controlled by capitalists; that the capital investor, the man who puts his money into the business, to the exclusion of all others, formulates industrial policy. He is the one to say what the hours are to be, who is to be employed, what is to be paid. He is the one who says how large production is to be and when production is to increase or decrease. Under the present system, these things are for the capital investors to decide. But what about the labour investors? What about the man who invests his life? What about the man who invests his skill in industry? Is he to have no consideration in the new order of things? In the new deal, is he to receive no consideration in the shaping of industrial policy? I tell the Prime Minister that, if he wants to reform the capitalist system, the way to begin is by sharing between labour and the community as well as capital, the control of industrial policy. Let labour and the community, which are as essential to industry as capital, be represented around a common board to determine the policy that is to govern, and very soon these questions of maximum hours, minimum wages, sweat shops and other evils that unfortunately prevail only too generally, and have done so for generations, will be remedied in the one effective way, namely, by the parties themselves who are directly concerned having an effective voice in the determination of the conditions under which they shall work. No changes of the capitalist system which keep the capital investor secure in his position as the controller of industrial policy will ever in this world bring about any reform worthy of the name. It is going to take more than minimum wage laws passed by parliament, or maximum hour laws, or laws against sweat shops, to bring about the change that is essential in that regard.

I have not arrived at my views on this question by thinking them over very seriously for the last two or three years. I have thought over these questions all my life, and the view I am expressing now is no deathbed repentance on the eve of a general election.

An hon. MEMBER: What did you do?

Mr. MACKENZIE KING: I will tell you what I did. I put these views in a book—

Some hon. MEMBERS: Oh, oh.

Mr. MACKENZIE KING: —which was written so clearly that he who runs may read. For the past eighteen years my views have been before the public, and may I repeat they were not given on the eve of a general election. During the time I have sat in this House of Commons, the views I put in the book to which I refer I have given expression to in a hundred and one practical ways. I did not do as hon. gentlemen opposite evidently had in their minds when they laughed a moment ago: I did not give expression of views on social and industrial reform to serve the purposes of a general election. I placed before the public of Canada, at a time when I was not in parliament, views which I believed were essential to the improvement of industrial conditions and the transformation of the industrial system as a part of industrial reconstruction in post-war days; these views, as opportunity has afforded I have given expression to in legislation. The underlying note in that volume from beginning to close is that where industry and humanity are in conflict, the interests of humanity, not the interests of industry, must be served. More than that, I have set forth clearly my conviction that, while in our political institutions we may have worked out a system of democracy whereby not merely the crown but the different classes are represented in the making of our laws, equally we must secure in the government and control of industry a system which will not be autocratic but democratic. The only way we can bring about an effective transformation in industry is to do away with what remains of autocracy and substitute therefor a real demo-

cracy in industrial control. These views are on record; they have stood and will continue to stand the test of years.

I will venture a step farther and state that anyone who has read the speech from the throne and the broadcasts of the Prime Minister will discover that possibly within the last few weeks the Prime Minister himself has been reading that book.

Mr. BENNETT: No, no. I could say, "Oh that mine adversary had written a book!"

Mr. MACKENZIE KING: If the right hon. gentleman and other hon. members have not read it, they reveal how slight their interest in these matters really is when they have neglected this very valuable source of information.

To conclude this part of my remarks I should like very clearly to bring out one feature. You may have democracy in government combined with democracy in industry. You cannot have democracy in government combined with autocracy in industry. The latter two are as ill mated as the former are congenial. And as long as the capitalist system remains—and we find by reading between the lines in the speech from the throne the evident intention that it is to remain—a system whereby industrial policies will be exclusively controlled by capitalist investors, parliament intervening here and there to correct incidental evils only, just so long you will have no reform that is fundamental or far-reaching. The only reform worthy of the name is that which I have already described, namely reform whereby in the determination of industrial policy you give to the labour investor and to the community representing amongst others the consumers, rights equal to those of the capitalist investor.

Let me say—it would be better if the Minister of Railways (Mr. Manion) would not say "all poppycock" quite so loudly.

Mr. MANION: I did not use any such words, or any words resembling them. I am afraid something is wrong with the right hon. gentleman's hearing.

Mr. MACKENZIE KING: I accept the minister's statement, but there are others who heard it. And may I add—

Mr. MANION: Nobody heard those words. The Prime Minister heard the words I said; I was speaking to him, not to the right hon. gentleman opposite.

Mr. MACKENZIE KING: I have not any desire to enter into a discussion with my hon. friend.

Mr. MANION: I think I might have said it, though, and quite truthfully.

Mr. MACKENZIE KING: That comes nearer to being in line with the old order, yes. My hon. friend is running true to form.

Let me now return to the subject we were discussing previously, namely the procedure usually followed when a ministry no longer enjoys the confidence of parliament. If a ministry true to the British system of government finds it no longer enjoys the confidence of the public, it resigns or secures a dissolution and enables the people to decide for themselves whom they wish to have carry on the affairs of the country. That is doubly so where, as in the case of the present government, a ministry in addition to confessing a failure of its policies, as has been done by the Prime Minister, introduces entirely new policies which have never received the approval of the people, which are not the policies upon which those who support the government have been returned to power, but are policies of an entirely different nature. Are we in Canada to adopt the view that a ministry returned on certain policies may, if it fails, turn round and adopt diametrically opposite policies and still be entitled to carry on the government of the country? It is not possible to defend a system of government carried on in that way. No one will dispute the fact that so far as legal and technical rights are concerned, under the British North America Act, the parliamentary term is fixed for five years. But that term of five years is designated not as the period during which the ministry must hold office, but the period beyond which without a renewal of confidence on the part of the electorate it cannot continue to hold office. If such a clause were not in the act this government would never leave office, they would stay on from day to day, from month to month, from year to year, for all time. The rule and procedure is that where a ministry has not been successful in its policies, it shall make way for some other ministry capable of so doing, a ministry at all events which the people may desire.

I have said there is no doubt about the loss of confidence in the present government; I do not think I need prove that statement, the truth is everywhere known, and generally admitted. I wish however to place on record some figures which serve to indicate how emphatic the voice of the electors has been in the by-elections which have taken place. In the by-election held in South Huron on September 26, 1932, the Liberal majority was increased from 349 to 1,989. In the by-elec-

tion held on October 23, 1933, in Yamaska the Liberal majority of one was increased to 84. In Mackenzie on the same date the Progressive majority of 3,076 was changed to a Liberal majority of 1,614. In Restigouche-Madawaska, also on October 23, 1933, the Conservative majority of 548 was changed to a Liberal majority of 6,472. In the by-election of April 16, 1934, held in the constituency of South Oxford, the Liberal majority of 55 was increased to a majority of 1,493. On September 24, 1934, in the by-election held in West Elgin, the Liberal majority was increased from 1,437 to 2,893. In the by-election held on the same day in Frontenac-Addington the Conservative majority of 3,371 was changed to a Liberal majority of 2,651. That is the first time since confederation a Liberal candidate has been elected for Frontenac. In the constituency of Kenora-Rainy River on the same day the Liberal majority was increased from 502 to 6,165. In North York on the same day the Conservative majority of 298 was changed to a Liberal majority of 3,687. In the 1930 elections the Conservative majority in the consituency of Toronto East amounted to 7,075, and in the by-election of 1934, which was held also on September 24, the Conservative party retained the seat. As I have stated however they retained it by a minority of votes; their candidate polled 2,143 votes less than the Liberal and Cooperative Commonwealth Federation candidates combined. In the face of those figures representative of the feelings of the people how can a government say it has the right to continue in office? How can it do so? By what right does the government at this time bring in new policies and seek to put other legislation upon the statute book?

May I point out another fact: It has been customary in the past for the government of the day to notify His Honour the Speaker of vacancies as they arise in the membership of this house so that writs may be speedily issued in order to complete its representation. This administration immediately after coming into office did give notice of one or two vacancies, but every vacancy that has arisen in this house in the last three years, notwithstanding that in many cases the vacancies were on the Conservative side, has been notified to the Speaker by Liberal members of this house, showing that the government has so little confidence in the support it enjoys throughout the country that it is unwilling to fill vacancies created by loss even in its own membership. These things make it perfectly clear that what the country had expected rather than another session of parliament was a general election, a general election in which the people themselves would have had an opportunity to express their views. Why then, have we this additional session?

Well, the Prime Minister has told us. He let the cat out of the bag in one of his broadcast speeches. In his fourth broadcast speech on the ninth of January my right hon. friend spoke as follows:

> As I have said, you will be fully notified by me of the precise nature of these reforms and their estimated effect when the appropriate legislation is presented to parliament. I know you will carefully and earnestly think over all that I have said. Effective action depends upon your steadfast support. Ultimately your approval of my reform program can only be given by your support of me at the polls. That naturally I want.

In other words, "I want votes," that is why the Prime Minister to-day brings in this platform of social reform so-called, on the eve of an election, after having made all kinds of promises five years ago; after saying "I will end unemployment;" after saying "I will blast my way into the markets of the world;" after making promises in every part of the country with respect to every conceivable thing that could influence an electorate. Having failed to carry out those promises and having to admit he has failed, the Prime Minister brings in on the eve of a general election an entirely new set of policies and claims that these are the policies of the party of which he is the head and says: "I want you to give your support to these policies"—or rather "I am giving you these policies because I want your votes."

Well, my right hon. friend will not be able to cover up his record of the last four and a half years quite so easily as that. The people of Canada have too intimate a knowledge of what they have had to endure during the last few years through the failure of his policies, and his failure to fulfil any of his promises, to allow any other policies he says he will put into effect to influence their judgment very much.

Now may I point out the position we are in with respect to a general election? I have said that one of the supreme efforts of this administration has been stealthily to alienate the authority and control of parliament, to take power into its own hands and away from parliament with respect to many of the important affairs of the nation. This government has succeeded at last in that effort to the extent of taking away from parliament itself the power of securing for the people, whose representatives its members are, an

immediate election. If there is one right above another which the people's representatives should at all times have, it is that of declaring at any moment and at all times that a ministry no longer enjoys the confidence of the country and that an immediate dissolution of parliament is necessary in order that an immediate general election may be held. If there is one right above another which the people of Canada should enjoy it is to have available at all times the machinery that is necessary for the immediate conduct of a general election.

Well, what did we receive in answer the other day from the Secretary of State (Mr. Cahan) to the question I asked as to the date by which we could expect to have the lists printed?

As hon. members will recall, at the last session the old Dominion Elections Act was repealed. That act had served for many years wholly satisfactorily, and there was no demand for its repeal; at any rate there should have been no final repeal of the act until the machinery under the new measure was in such shape as to make it possible to have an immediate election at any time.

Mr. CAHAN: Did you ever suggest that during the discussion?

Mr. MACKENZIE KING: May I say to the Secretary of State that I am not the government; I am not responsible for the government's legislation. Over and over again I have been told that by the Prime Minister. What I did ask was, whether we might expect to be able to hold a general election at any time the country might desire it. More than that, as leader of the official opposition I put faith, as I was obliged to do, in what was told me and told this house by the minister of the crown who on behalf of the government brought in the new elections act and franchise act. I accepted his word, as it was my duty to do, when he introduced the new measures. And what did he say? The statements are very clear. I have in my hand the Hansard of June 13, 1934, and at page 4257 the Minister of Justice (Mr. Guthrie) said:

> It has been thought by the government that it would be well to devise some improved method to bring on a general or by-election in this country in much less time than is necessary at present.

There was the motive alleged for that act, to have the machinery, an improved method, to bring on a general or by-election in this country in less time than was necessary under the old Dominion Elections Act. That was the whole purpose of it, we were told. The minister went on to speak of completing the voters' lists, which he said "shall be available at a moment's notice in any part of Canada should a general election or a by-election take place." Express provision was made that the by-elections would continue to be held under the old elections act, but we were told when this new measure was introduced that we would have a measure which would enable elections to be brought on more speedily—brought on, to give the minister's own words "in much less time than is necessary at present"—referring to the situation as in June, 1934, and "at a moment's notice in any part of Canada." As to the availabilty of the lists, at a moment's notice in any part of Canada the lists were to be available when necessary for a general election.

Mr. CAHAN: That is exactly what you will have. May I say to the right hon. gentleman, if he will allow me to interrupt—

Mr. MACKENZIE KING: No, my hon. friend may speak in the course of the debate. I have here what my hon. friend (Mr. Cahan) gave me as an answer the other day, and I am going to do him the courtesy of reading it in just a moment. But what else did the Minister of Justice say in introducing the new elections act last year?—"that a basic list shall be undertaken immediately after the prorogation of the present parliament." It was not undertaken immediately, as I shall show in a moment. Those are the statements that were made by the Minister of Justice at the time of introducing the bill last year.

Now what had my hon. friend the Secretary of State to say when I asked him whether the lists had been printed, that were to be available at any moment the country might want to have a general election, and that were, if necessary, to enable an election to be held more quickly than formerly? My hon. friend said at page 5 of Hansard of this year, referring to the Dominion Franchise Act of last year:

> The dominion franchise commissioner commenced on November 20 last to deliver to the king's printer copies of the lists of electors for the several electoral districts of Canada as they were severally prepared, with directions to the king's printer for the printing of the same.
>
> These lists comprise approximately 6,000,000 names of electors, of which about 1,000,000 names are now set up in type, although the printing of departmental reports, in English and French, for presentation to parliament, has been given precedence over other work. The printing bureau, in addition to its other work, is now setting up in type about 75,000 names per day, so that in the ordinary course, without grave accidents to the equipment of the bureau,

the composition should be completed early in April, and the printing of the lists should be completed about April 15 next.

Mr. CAHAN: Will the hon. gentleman allow me?

Mr. MACKENZIE KING: My hon. friend can make his remarks when he speaks later.

Mr. CAHAN: I say that is correct in the ordinary course of the work.

Mr. MACKENZIE KING: What does my hon. friend say?

Mr. CAHAN: I say that those lists can be completed any time within thirty-five days, but we are now doing the work in the ordinary course.

Mr. MACKENZIE KING: Why aren't they ready now?

Mr. CAHAN: Because the hon. gentleman as leader of the opposition agreed to a different arrangement for a different form of revision at a different date. He is as much responsible as any member of the government for the condition of which he complains.

Mr. MACKENZIE KING: My hon. friend may seek to shift responsibility on to the leader of the opposition, but may I tell him that a government has to take responsibility for all the legislation it introduces and the consequences thereof.

Mr. CAHAN: And so has the leader of the opposition to take responsibility for acts of parliament in which he concurred.

Mr. MACKENZIE KING: May I point out to my hon. friend that last summer when I saw that the government was deliberately delaying—

Mr. BENNETT: I ask the right hon. gentleman to withdraw that word. There was nothing done deliberately.

Mr. MACKENZIE KING: Then it was done without deliberation.

Mr. BENNETT: That is right, because it was in the hands of the franchise commissioner, who appointed franchise officers sixty per cent of whom were opponents of the government.

Mr. MACKENZIE KING: I take the Prime Minister at his word, at the moment. Without deliberation; I have no doubt done by himself—

Mr. BENNETT: No, I was out of the country.

Mr. MACKENZIE KING: Is it not a heroic thing on the part of the Prime Minister to seek to condemn the franchise commissioner and put the responsibility on him especially when the franchise commissioner is a public servant and unable to be here to speak for himself? But it is not true the franchise commissioner was at fault in any way. What was the reason? The franchise commissioner proceeded the very moment he was able to proceed and did his work as expeditiously as it could be done. The reason he was delayed for a couple of months in beginning the enumeration was that the government of the day at the last session saw fit to repeal that section of the old act which provided for returning officers being in office continuously, and for the sake of party patronage introduced a measure which gave to themselves the appointment of returning officers. The franchise commissioner could not commence his work until he knew the limits of the constituencies, which were to be set forth by the returning officers, who were appointed, not by the franchise commissioner, but by my right hon. friend.

At six o'clock the house took recess.

After Recess

The house resumed at eight o'clock.

Mr. MACKENZIE KING: When the house rose at six o'clock I was discussing with the Prime Minister, if I may use that expression, the question as to who was responsible for the delay in the printing of the lists. Until the lists are printed there can be no general election in this country, and the Secretary of State advised us as late as Friday last that it would be April 15 before the lists would be printed, assuming that there were no mishaps of any kind, such as a breakdown in the machinery of the printing bureau, which was one of the possibilities which he mentioned. I said that in my opinion the government was responsible for the delay in the printing of the lists, and I was rather surprised that the Prime Minister should take the ground that the franchise commissioner, who is not here to speak for himself and who is a public servant, was responsible.

Fortunately I had some correspondence with the Prime Minister on this matter last summer, because I rather anticipated that this issue would be raised. I did not think it would be raised with respect to a general election that might come in April, but it did occur to me that it might be raised during the by-elections which were to take place in the month of September, and that one of the arguments of hon. gentlemen opposite would be, as in fact it was during the campaign, that, even supposing their candidates

were defeated, it would make no difference inasmuch as in view of the fact that the lists would not be printed there could not be a general election.

The by-elections were fought on the issue whether the government enjoyed the confidence of the country or not. The overwhelming majorities against the Conservative candidates made clear the view of the people, particularly when one considers that all by-elections were held in what used to be called the old Tory province of Ontario. Even that province has lost all confidence in this administration.

I have here the correspondence, which will speak for itself; it will settle the question as to whether the government itself has been responsible for the delay or whether the responsibility lies with the franchise commissioner, who is not here to answer for himself. I wrote to the Prime Minister as follows:

House of Commons
Canada
Leader of the Opposition
Ottawa, August 20, 1934.

The Right Honourable
R. B. Bennett, P.C., K.C., M.P.,
Prime Minister of Canada,
Ottawa.

My Dear Prime Minister:

When the franchise bill was under discussion in the house, we were given to understand that, as soon as the bill was passed, the franchise commissioner would immediately be appointed, and that the preparation of the basic lists, under the provisions of the new act, would be proceeded with at once. Apparently, up to the present time, notwithstanding the immediate appointment of the franchise commissioner, there has been no appointment of the enumerators who have to do with the preparation of the lists.

I should have mentioned that parliament prorogued on July 3.

Under the provisions of the act, it would appear that the franchise commissioner cannot proceed with the preparation of the basic lists of voters until after the returning officers for the different constituencies have been appointed. The boundaries of the polling subdivisions being defined by the returning officers, it is, apparently, impossible for the enumeration or registration of voters to commence until the returning officers have completed this preliminary work.

The appointment of the returning officers now rests with the government, the former appointees no longer remaining continuously in office, as was provided in the act which was repealed last session. It would appear, therefore, that the delay in having the basic lists, demanded by the new act, immediately prepared, is not due to any neglect on the part of the franchise commissioner, but is something for which the government itself is responsible.

The delay in the preparation of the basic lists is the more to be regretted in that the old Dominion Elections Act having been repealed, save in so far as its provisions have been made to apply to by-elections held prior to a general election, it will be impossible to hold a general election until the basic lists have been prepared under the provisions of the new Franchise Act. I think you will agree that the electorate should not be deprived of its right to have available at any and all times the machinery necessary for the holding of a general election. It was the expectation of members of the House of Commons that the preparation of the basic lists would not be delayed beyond the summer months. Obviously, their completion should not be delayed beyond the month of September. In the circumstances, I have felt that I should write you without further delay in order to ascertain definitely how soon the country may expect the appointment of all returning officers, and within what time thereafter it may be reasonable to expect that the basic lists will be completed.

I am aware of course that the franchise commissioner has certain powers which he is free and expected to exercise wholly and apart from any action or control on the part of the government. My first thought was to write to the franchise commissioner, asking him for an explanation of the delay in the preparation of the basic lists. Having ascertained, upon inquiry, that the returning officers had not yet been appointed, and it being apparent from the provisions of the act that the franchise commissioner is necessarily restricted in hastening procedure until after their appointment, I have felt that, before communicating with the franchise commissioner, I should address this communication to the government.

Yours sincerely,

W. L. Mackenzie King.

I received the following reply:

Office of the Prime Minister
Canada
Ottawa, August 22, 1934.

The Rt. Hon.
W. L. Mackenzie King, C.M.G., M.P.,
Leader of the Opposition,
Ottawa.

My Dear Mr. King:

I am in receipt of your letter of the 20th instant which I have read and referred to my colleagues. It is our view that, having regard to the size of this country and the difficulty in obtaining the necessary information, there has been no unreasonable delay in appointing the returning officers for the 245 constituencies. The list is now practically complete and a special Gazette will be issued within the next few days.

I quite agree with you that the machinery for the conduct of a general election should always be upon the statute books, but the amount of effort required to make effective the provisions of the legislation passed at the last session was far greater than I expected. However, from the inquiries I have made, I believe that everything that can reasonably be done is being done and that the preparation of the basic lists will not be unduly delayed.

Yours faithfully,

R. B. Bennett.

That was August 22 1934. We are now told that these lists will not be in readiness before April 15, 1935. I had stated in my letter to the Prime Minister that in my opinion it was obvious that the lists ought to be completed by September, having in mind the likelihood, which I thought he himself would realize, of his own candidates being defeated, and that the country would expect a general election thereafter. But what I anticipated at that moment was, as I have already said, that we should be told that somebody else had been responsible for the delay and for the lists not being in readiness. I wish therefore to make it quite clear, as the Prime Minister himself in his acknowledgment conceded, that the franchise commissioner was in no way responsible, because up to the time the Prime Minister's letter was written on August 22 no returning officers had been gazetted, and the franchise commissioner could not begin his work until after that time.

Let me direct attention to the wording of one paragraph of the Prime Minister's reply. Perhaps the Prime Minister will see in it why I have just a little suspicion about the value of any or of all his social legislation or, indeed, any legislation that he might seek to have put upon the statute books. In my letter I made the statement:

> I think you will agree that the electorate should not be deprived of its right to have available at any and all times the machinery necessary for the holding of a general election.

That was a statement of the right of the electorate to have, not on some statute book but available and ready at all times, the machinery necessary for the holding of a general election. How does the Prime Minister answer me? He begins with the words: "I quite agree with you," but the agreement is not with me at all; all he agrees to is as follows: "That the machinery for the conduct of general elections should always be upon the statute books." There is a great deal of difference in having machinery on the statute books, and having it available and ready. The machinery is on the statute books now, but according to the statement of the Secretary of State the lists will not be available till April 15 and we cannot have a general election until that date. I say that the answer given there by the Prime Minister was a sidestepping of the real issue and, may I say, it accounted for my answer to him this afternoon, that I thought the delay in the preparation of the lists had been deliberate. The Prime Minister knew as well as anyone that the franchise commissioner could not begin his work until after the returning officers had been appointed. The Prime Minister knew as well as anyone possibly could that when I spoke about having lists available at any and all times for a general election I meant exactly what I said. I did not mean having them on the statute books but that the provisions in the statute should be such that the electorate would have available at any and all times whatever machinery was necessary for the purpose. We have not those lists available, and, apparently, according to what has been stated, we cannot have a general election before April 15.

In these circumstances I am confronted with this situation: If I do what I should like to do, what I said at the end of last session I would do, that is, move an amendment to the motion that has been proposed and seconded this afternoon, to the effect that this government does not enjoy the confidence of the people and that we should have an immediate dissolution, I shall be told that such procedure is very heroic on my part, knowing full well from what the Secretary of State said the other afternoon, that we cannot have any election until at least April 15, if not later, and that all my talk about the government not enjoying the confidence of the people and the need for a general election is perfect nonsense, and beside the mark. Before I close I shall indicate what I think wise in the circumstances.

Having cleared up that point, let me say a word in regard to the Prime Minister's broadcast. I hope hon. members will observe that he has made no less than six nation-wide broadcasts, each running over half an hour, in which he has set forth his policies and also attacked the opposition, and that in addition we have to-day before us for the first time since Thursday last the speech from the throne, with which as leader of the opposition, I am expected to deal at some length. I am supposed, I imagine, by hon. members and the country, to deal also with the speeches of the Prime Minister. Obviously I cannot in any short compass of time begin to attempt to answer many of the misleading statements that have been made, and, therefore, this evening I do not purpose to attempt to answer many of the things the Prime Minister has said. I shall reserve that for a later occasion, and, if I can be as fortunate as he appears to have been in getting the wherewithal to have nation-wide broadcasts, I shall undoubtedly avail myself of the opportunity to speak to the people of this country through the medium of the radio.

May I immediately deal very briefly with what the Prime Minister has said in the broad-

casts is to be the real issue in the general election. Speaking on January 2, the Prime Minister, having said that reform was to be the issue, gave his definition of reform. He said that reform means government intervention; that it means government control and regulation; that it means the end of laissez-faire. May I say to the Prime Minister in all frankness that I think in speaking thus of government intervention and laissez-faire he does not understand the meaning of the terms, and that he has mistaken what is a means for an end. He has said that the end of reform is state intervention. That is a new definition of reform. My understanding of laissez-faire is "to let alone." My understanding of state intervention is "to interfere." In dealing with the relation of the government to public ffairs the extent to which it is advisable to leave alone will be determined by the nature of the questions which are before the government and country for consideration, and the extent to which it is advisable to interfere will likewise be determined by the nature of the questions that are before the government and country for consideration. May I say that no political party of which I have knowledge has at any time had a monopoly of the one means or of the other. Both means have been available and made use of by all parties, true enough in the case of each to serve its own ends. It is quite true that sometimes the Liberal party has availed itself more of a policy of laissez-faire than of intervention; at other times it has availed itself more of a policy of state intervention than of laissez-faire. The Liberal party intends to continue to avail itself of both means, and of the two, the one perhaps most necessary at the present time in one direction and equally necessary with any policy of state intervention in another if we are going to make possible these reforms about which the Prime Minister alleges he is so much concerned, is a policy of more in the way of laissez-faire with respect to matters of trade and trade barriers and restrictions.

What has this country witnessed since the present government came into office? Instead of the unemployed numbering 117,000 as was the case when the Prime Minister came to office, the numbers, according to latest estimates stated to be receiving direct relief, have become 1,000,000. What is responsible for conditions in Canada being as depressed as they are more than the excessive intervention with the course of trade, a policy of state intervention? When the government came into office, they began to raise the tariffs. That was state intervention. Every tariff is an interference on the part of the state with the regular course of business. They began to increase the tariff out of all bounds; they interfered by means of dumping duties; they interfered by means of embargoes, by means of quotas, by means of artificial valuations, they interfered by fixing exchange rates. All along the line, in fact clear across this country there is to-day a network of barbed wire entanglements in the nature of restrictions upon trade that will have to be torn away if in this dominion we are to have greater freedom of trade. I do not mean to say that any party would advocate the abolition of all tariffs, but, if we are to have trade and any possibility of improvement of conditions, we must take away from this ministry or, indeed, from any ministry, the power of arbitrarily interfering with the laws passed by parliament, of making tariff rates by order in council, and of creating by order in council those other restrictions which prevent the natural flow of trade. Where the Liberal party has thought it advisable in greater or less measure to get rid of restrictions of this kind, it has followed, and will continue to follow, a policy of laissez-faire, not absolutely, but relatively in comparison and contrast with what has been done by way of government interference with trade by the present administration.

In regard to intervention I shall indicate a little later some of the instances in connection with social legislation in which the Liberal party has thought it advisable to interfere, and where its policy has been consistently one of intervention on the part of the state. But where the policy has been one of intervention it has not been for the sake of intervention itself; it has been intervention for the sake of preserving freedom, or giving a larger measure of freedom.

Here may I just point out the difference between the two parties in their use of these methods in obtaining their ends. Study the history of Liberalism and what do you find it to be? It has been an effort at all times to subject the particular interest to the general interest. Wherever it has been found that the general interest is being made subordinate to some special privilege or some particular interest, there Liberalism has come along and, either by laissez-faire or by state intervention, has sought to secure a larger freedom by preserving the general interest in its control over the particular interest. But what has been the history of Conservatism, of the Tory party? It has been the very opposite; it has been to see that particular interests were made superior to the general interest, that the general interest should be subordinated to particular interests.

That is exactly what you have in regard to all these protected industries to-day; every one is a matter of special privilege; every one is a matter of giving to particular interests a superior place, and of subordinating by means of state intervention the general interest to the particular. Is that the end the present government has in mind when it says state intervention is to be the objective hereafter? It may be so. I shall be very much surprised if there is much in the way of laissez-faire in any of its policies so far as the tariff is concerned; I think we may expect more and more in the way of state intervention in that regard if certain particular interests have to be served.

But now let us see just how sincere hon. gentlemen opposite are in their views—or perhaps I should limit it to the Prime Minister for the present—in the matter of state intervention in industry which is the reform to be brought about in the future. What is the largest single industrial enterprise we have to-day in this country? If I am not mistaken it is the Canadian National Railways, the government owned railways. How has the present Prime Minister revealed his confidence in state intervention as a means of reform in dealing with the Canadian National Railways? If I recollect aright, the changes that have been made by this government since it came into office, with respect to the Canadian National Railways, have all been of a nature designed to put the Canadian National Railways farther and farther away from any authority or control on the part of parliament, from any possibility of state intervention. They have appointed a board of trustees; they have fixed terms during which those trustees are to remain in office. The chairman of the railways has been placed in office for I have forgotten for the moment just how many years; I think it is for a period of either seven or ten years. Perhaps the Prime Minister can tell me.

Mr. BENNETT: Seven years.

Mr. MACKENZIE KING: The chairman of the board has been appointed for a period of seven years, and care has been taken to see that he cannot be removed from that position except by a resolution of both houses of parliament. When we talk of the control of parliament to-day the general public have in mind the control that is exercised by the elected representatives of the people sitting in the House of Commons. I wish to say, however, to this house and to the country that so long as we have an all-powerful Conservative majority in the upper house which is able to defeat any measure that may come from this house; so long as it is within the power of the upper chamber to prevent any particular reform that may be desired by this house, you cannot say that this House of Commons has any final or necessarily effective authority or control over the business of the country.

That is the position with respect to the Canadian National Railways. I might say a great deal more on the subject, but I think I am quite within the statement that was made over and over again by the ministry that business of that magnitude ought to be put beyond the power of interference by the government. I am not at the moment debating the question or discussing whether or not a particular course is wise; I am simply directing attention to the contradiction between the statement of the Prime Minister with regard to state interference as being synonymous with reform and the action of the government itself with respect to the Canadian National Railways. In the matter of the largest business in this country the one that touches the people in the most intimate way—except for one other that I shall mention in a moment—the Prime Minister has put the control of that enterprise beyond parliament, and he has alienated the authority and control of parliament in respect thereto.

I said I would speak of one other business. It is most important in connection with this reform which is to be brought about, as the Prime Minister says, through the regulation of business by parliament. In broadcast No. 3, on January 7, he defines in another way the reform which he says is to be the issue: the reform of the capitalist system effected by state intervention. Here is how he introduced the subject. He said:

> The keystone of the capitalist arch was the profit system, and the profit system still remains.

The capitalist system is to be reformed by the interference of the state, and the Prime Minister says that the keystone of the capitalist arch is the profit system, which still remains. May I say to the Prime Minister that I think the keystone of the capitalist arch is the private control of a nation's credit and currency. The keystone of the capitalist arch is that particular symbol in the capitalist structure that stands for money control and money power, and how that money control and money power are to be exercised, how that credit and currency are to be controlled. In the capitalist system it is to be carefully and securely kept in the control of capitalists.

How has the Prime Minister dealt with that question? Last session we had a bill before this house, and by the way he tells the country now that this is part of the reform program, part of the program that has to do with reform by means of interference by the state in business. How has he dealt with that matter? Some three years ago the Liberal party put forward in specific terms as one of its policies the establishment of a national central bank as an agency for the control of credit and currency considered in terms of public need. We proposed that the bank should be an agency of control in the interests of the country's social as well as industrial and financial needs; in other words that credit was a public matter, not of interest to bankers only but of direct concern to the average citizens. To that end we put forward repeatedly the necessity of a central bank properly constituted for that purpose. A properly constituted central bank for the purpose of controlling currency and credit to meet social needs necessitated in our opinion that to some extent at least—just what extent might remain a matter of difference of opinion—the government representing and responsible to parliament and the members of parliament should have some control over the central bank; that with respect to currency, banking and those matters that have to do with credit, the voice of the people, through their representatives in parliament, should be heard with respect to such policies as might be thought necessary, should be felt and should be capable of being made effective. How did the Prime Minister show his faith in government intervention then? He brought before this house a bill establishing a central bank. On the second reading his Minister of Finance (Mr. Rhodes) said that the question whether it should be publicly or privately owned was a perfectly open question which might be discussed in committee, and that the views of the committee and of hon. members composing it would not be prejudiced in any way by hon. members on the second reading voting simply for or against a central bank as the only principle involved. It was stated at that time that the government would allow on this question of public or private control the freest discussion in committee itself. Well, the bill went to the committee, and when it got there what was discovered? It was discovered that members of the committee belonging to the party opposite were opposed to any bank that would be other than privately owned and controlled, and that they stood as a unit for a privately owned and controlled bank. Wat that because they believed in state intervention and interference in business, or was it because they entirely and absolutely disagreed with any such policy call it reform or whatever you like, and did not approve of it? When the measure came back to this house it was found that the Liberal members of that committee had made a very strenuous fight to secure control on the part of the government and parliament over that central bank. They were prepared to consider any steps that would admit of any degree of control, but the government was adamant in the matter. During the discussion on the third reading of the bill I spoke with great emphasis as to the importance of allowing the government to have some control over this central bank. I pleaded with the Prime Minister to at least allow one or two directors to be named by the government, but I pleaded in vain. This bank was to be a private corporation and was to be removed entirely from all government authority or control. That was the objective, and that is how the Prime Minister then viewed reform of the capitalist system—at all costs to keep free of intervention the keystone in the arch of the capitalist system.

What was the position before this central bank came into being? The control of the currency of the country was in the hands of this parliament. Control of social credit was in the hands of parliament. The securities of the country, the gold of the country, were in the treasury of the country. Where are they to-day? They have all been taken out of the public treasury and put into the vaults of this private corporation. Are all the gold and securities of the country to-day subject to the control of parliament or are they in the vaults of this privately owned bank removed altogether from government control? Who has charge of the issue of the currency to-day; who has control of the currency? That responsibility has been handed over by this government to the central bank. Yet the Prime Minister comes along and talks about some scheme of planned economy which will help to reform the capitalist system. I tell him no program of planned economy can succeed if it is not based upon the intelligent public control of national currency and credit. I say as long as we have a government standing solidly behind the principle of a privately owned and controlled institution such as the central bank is, a private corporation controlling the currency and credit of the country, we can have no faith whatever in any profession made by the government when it states that government intervention in its mind is an all important objective. So much for what

the Prime Minister professes, let his professions be judged by his actions.

Speaking in Montreal a short time ago the Prime Minister revealed what he has in mind in proposing social legislation. He gave away his hand pretty clearly. I have already stated that I believe it is an election scheme, and I hold that belief very strongly. I did not think however that the Prime Minister would be prepared to go quite so far towards seeking to make it an issue fraught with all kinds of possible dangers to the unity of this country. It was quite apparent however, he had something of the kind in his mind when only a few evenings ago he spoke in the city of Montreal. That was his last address; I believe it was on January 15, only two days before the opening of the session. I heard him saying—and I have no doubt many other people heard him—"Do you want minimum wages and maximum hours of work? If you do not, then vote for Taschereau and King." Then he went on to say, "Do you want your old people not cared for? Well, if you do not, then vote for Taschereau and King." These were the terms used by the Prime Minister in addressing the people of Montreal.

First of all, remember that these statements were made over the radio. They were not made in parliament where there is opportunity to reply. The Prime Minister referred to Mr. Taschereau. He, by the way, is not a member of this chamber and cannot appear on its floor to speak for himself.

An hon. MEMBER: Over the radio.

Mr. MACKENZIE KING: Over the radio? My hon. friends talk about radio. Well, they may have a fathomless chest into which to dip for radio purposes, but other people have not.

May I proceed to follow up the Prime Minister's statements. I have not the slightest doubt about Mr. Taschereau being able to take care of himself; he will in his own way and at his own time; to-night I do not purpose to speak either for or against Mr. Taschereau. I am not dealing with absent personages; I am concerned only with those in front of me. I shall confine my remarks to the Prime Minister's attack upon myself.

What else did the Prime Minister say? "When they had a chance did they do anything about these things?" "When they had a chance"—in other words when Mr. King had a chance did he do anything about minimum wages, maximum hours, old age pensions and other social problems? I suppose we will hear the Prime Minister and some of his followers answer, "Yes, he wrote a book, and he put his principles and ideas in that book." I purpose this evening, even if it takes me a little longer than I had intended, to show that before the book was written many of the principles and ideas therein set forth found expression in legislation. I shall show that after its publication many more of the principles and ideas therein set forth found expression in legislation and I shall support my statements not by my own assertions merely but from the ranks of hon. gentlemen opposite. There are some fortunately amongst us who have a sense of chivalry and decency in public life and who do not make statements about others when they are not present to answer or to refute what is said about them. There are some who like to see fair play in public life. I admit we have very little of that practice at times, but I believe it is well to encourage it when we can.

Even before the Prime Minister had made these statements in Montreal and before his remarks had been broadcast over the radio network he had been accusing the Liberal party, and particularly myself of having done nothing on behalf of labour. I hold in my hand a copy of an editorial which appeared in the Montreal Gazette.

Mr. BENNETT: Hear, hear.

Mr. MACKENZIE KING: I am pleased to see in his seat tonight, although I am sorry to see him sitting on the government side, a former distinguished editor of the Montreal Gazette.

Mr. WHITE (Mount Royal): And who retired from the editorial chair nine years ago.

Mr. MACKENZIE KING: That is why I used the expression "a former editor"; I was not referring to the present editor. I was seeking to make it quite clear that the Montreal Gazette is not an organ of the Liberal party but is one which throughout this country has been regarded as the stalwart of the stalwarts among Conservative organs. At any rate it is perfectly clear that when the editorial to which I am referring was written the Montreal Gazette was not holding any brief for me, because the paragraph I am about to read began with those very words. It is as follows:

> We hold no brief for Mr. Mackenzie King, but when the Prime Minister refers to Liberal history and speaks of child labour, sweatshops, slave wages and so on as being among the faults and injustices of the capitalistic system it is impossible to disregard the appeal for fair play which has been made. It is a matter of record that Mr. King personally has always interested himself very keenly and practically in these evils and that it was in fact his crusade against them that brought him into public life,

that resulted in the creation of the Department of Labour and in the enactment of remedial legislation of various kinds; and this happened many years before Mr. Bennett himself awoke to the imperative necessity of a reform policy on the eve of a general election.

Mr. BENNETT: What date is that?

Mr. MACKENZIE KING: January 12.

Mr. BENNETT: This year?

Mr. MACKENZIE KING: Yes, this year.

Some hon. MEMBERS: The new order.

Mr. MACKENZIE KING: The Montreal Gazette is not the only Conservative organ which has recorded the part I have taken in these industrial matters and in the matter of legislative reform. I might quote many comments, but upon this occasion I shall confine myself to only one further extract. I now refer to the Ottawa Evening Journal of January 18, 1935. This is not a reference to something which has happened on the eve of an election; it finds its place in that column of the Journal which goes under the heading "Ottawa 25 years ago." Quoting from the Journal of January 19, 1910, it states:

Hon. Mackenzie King, Minister of Labour, introduced a bill to provide for the investigation of combines, monopolies, trusts and mergers which may enhance prices or restrict competition to the detriment of the consumer.

At that time, some twenty-five years ago, the Ottawa Journal, a Conservative organ, was recording some efforts of mine in this parliament to further investigation into industrial abuses, and the reference was as I have given it.

But that is not the first time I had anything to do with the matter of the investigation, or reforms of this kind, all of which, may I say, were in the nature of state intervention. What I am dealing with now is the charge that the Liberal party has been a party of laissez-faire, that it has not been a party of state intervention where state intervention was necessary.

I have in my hand a copy of a document which bears the imprint of the Ottawa government printing bureau, 1898. That is nearly forty years ago, and when the Prime Minister says, "If you do not want minimum wages, then support Mr. King;" "if you do not want maximum hours, then support Mr. King;" "if you are in favour of sweating, then support Mr. King"—and so forth and so forth, I think in these circumstances perhaps I am justified in pointing out to the Prime Minister and to hon. members just when I began publicly to assert in relation to Canadian government work the necessity for state intervention. This report is headed, "A report to the hon. Postmaster General on methods adopted in Canada in the carrying out of government clothing contracts, by W. L. Mackenzie King, M.A., LL.B." That report, as I have said, was presented to the government on January 5, 1898, and that report, I may say, associated as it was with the interviews that I had with members of the government of the day, was the report that led to the adoption in this House of Commons of what is known as the fair wages resolution of the House of Commons, under which all government contracts relating to clothing, contracts with the Post Office department, with Militia and Defence, with the mounted police, and subsequently contracts in the nature of public works, all come to contain provisions setting forth maximum hours for the workers, and the minimum rates of wages that were to be paid, and the conditions under which the work was to be performed.

I shall not attempt even to mention what is stated in the report itself. Hon. members will be able to see that for themselves if they wish. I shall read, however, the concluding paragraph because it indicates whether, as a matter of fact, as a Liberal I believe in state intervention and whether the Liberal party believes in state intervention; because, remember, these reforms were introduced by a Liberal administration, the Liberal administration of the Right Hon. Sir Wilfrid Laurier—

Mr. MACKENZIE (Vancouver): Thirty-seven years ago.

Mr. MACKENZIE KING: Thirty-seven years ago, as my colleague remarks. This was my conclusion:

I need scarcely add that the existence of such conditions, apart from any other attendant evils of the sweating system, constitute emphatically in the words of your communication "sufficient grounds for government interference in order that future contracts may be performed in a manner free from all such objectionable features." The step in this direction which has already been taken by your department cannot fail to bring about a much-needed reform and be productive of great and lasting good to the industrial classes of this country.

I have the honour to be,
Your obedient servant,
W. L. Mackenzie King.

May I come now to one other matter? I shall not attempt to enumerate the different instances that I might of government intervention by Liberal administrations. I shall confine what I have to say to-night to just what was referred to by the Minister of

Labour (Mr. Gordon) himself on Friday last when he tabled the report of the Department of Labour. I was quite interested in noticing what the Minister of Labour said when he presented his report. He did not simply say, "I present the report of the Department of Labour for the fiscal year ending March 31, 1934," but he went a step further than his colleagues, and a step further than he generally goes, and he gave the contents of the report in part. I thought at the time that he did so in an endeavour to make apparent the extent in his department of government intervention through social legislation and with respect to labour.

I find in the votes and proceedings of January 18, 1935, the following:

> Mr. Gordon, a member of the King's Privy Council, laid before the house, by command of His Excellency the Governor General,—Annual Report of the Department of Labour for the fiscal year ending March 31, 1934, which includes reports of proceedings under the following statutes: Labour Department Act, Conciliation and Labour Act, Fair Wages and Eight Hour Day Act, Industrial Disputes Investigation Act, Government Annuities Act, Employment Offices Co-ordination Act, Technical Education Act, Combines Investigation Act, Old Age Pensions Act, and relief measures.

That is the statement. Now, Mr. Speaker, let us take a look at these various statutes, all of which are in the nature of state intervention, and see where they came from. I will say now that, with the exception of one, all owe their existence to Liberal initiative and Liberal administrations. The one exception is the relief measures, which as the Prime Minister said over the radio are wholly of an exceptional and emergency character and are, to use his characterization, "in the nature of priming the pump." These measures were necessary only because the government's policies in other directions have wholly failed and because times were so bad that constructive measures were not even thought of, let alone introduced. Let us see where the other measures came from.

Take first the Labour Department Act. The Labour department was established originally in the year 1900. The Labour Department Act was not a Conservative measure; it was introduced by the government of the Right Hon. Sir Wilfrid Laurier, a Liberal government, and the Labour department was established as a department of government to emphasize from a Liberal point of view the necessity of state intervention in labour matters. Speak of all the reforms you wish, but where was it possible to introduce on behalf of labour in parliament a greater measure of reform than to establish a department of government to be concerned with the problems of labour to the exclusion of all others? That was a reform introduced by a Liberal government. Perhaps I may be pardoned for reminding the house that I was honoured by the then Postmaster General, who was the minister of the Crown who introduced the measure, the Right Hon. Sir William Mulock, to-day Chief Justice of Ontario, by being invited to come to Ottawa and, under his direction, to organize the Department of Labour of Canada and to become the editor of the Labour Gazette, which was to contain the records and information which would be a guide for future legislation and which would assemble material which would be of assistance to legislators dealing with these matters. I accepted this position. I came to Ottawa and began in the year 1900, now nearly thirty-five years ago, the organization of the Department of Labour in Canada, and for eight years I held the office of deputy minister of that department. During those years I edited the Labour Gazette, a publication which continues to be published, and of which now there are something like thirty-five annual volumes. In that time I outlined more or less the particular subjects that were to be investigated by the department, the methods to be adopted in collecting and disseminating information on labour matters, and I find on looking at the report that the minister laid on the table last week, and at copies of the Labour Gazette, that they all continue to follow the lines then charted out.

There was another act passed at that time, the Conciliation Act, which concerned the Department of Labour. It was the first act of this federal parliament for intervention in industrial disputes—not compulsory, but voluntary intervention by the government—with machinery for bringing opinion to bear on any existing dispute. During the time I was deputy minister I intervened I think in something like forty at least of the most important strikes of that time. The record will speak for itself as to how successful I was. Out of the experience of those eight years in a practical and immediate way with labour questions, I believe I learned a few things supplemented later by wider experience and study that it was worth while to pass on to others in the form I have already indicated.

The next act referred to here is the Conciliation and Labour Act. That reminds me that there has been a consolidation of the measures since, but there was another conciliation act dealing with disputes on railways. It was known as the Railway Disputes Arbitration Act. It was introduced as a compulsory measure, but at the time of its introduction the minister of the day indicated that

he did not intend to press it at that session because he was not sure that compulsion was acceptable either to employers or to employees, and that he would re-introduce it at the next session in the form thought most desirable. At the next session it was introduced, not as a compulsory measure but nevertheless as a measure of state intervention in labour disputes on railways.

Then another measure is the Fair Wages and Eight Hour Day Act, which is nothing more than the embodying in the form of a statute of the fair wages resolution to which I have referred, and the various orders in council by which its provisions have been extended. The right hon. gentleman says: "What did Mr. King do when he was in office in regard to these matters?" I have indicated what I had to do with the beginnings. Here is one of the things I had to do towards the end; as Prime Minister I supported and endorsed the Minister of Labour of the day, the Hon. Peter Heenan, in introducing this act respecting fair wages and an eight hour day for labour employed on public works of the Dominion of Canada. That was on the 30th of May, 1930. May I pause to say that it has always been assumed—I say always; possibly within the last month or two there has been a change in the mind of some—that most of these matters of social legislation come exclusively within the jurisdiction of the provinces. At least that is the opinion that has been given by the law officers; it may be that the government has since received some later opinion. The reason that many of these measures have not been extended by this parliament has been that all members of this house, those of the Conservative party, of the Progressive party, of the Cooperative Commonwealth Federation, and the Liberal party, have understood that these measures came exclusively within the jurisdiction of the provinces except in so far as they related to federal work. As far as they related to federal work Liberal administrations, either that of Sir Wilfrid Laurier or of the government which I had the honour to lead, put these measures on the statute book, and in so doing set an example to the provincial governments. Except in Ontario, which under a Liberal government in the same year as the federal department of labour was created, established a bureau of labour, there were no bureaux of labour in any of the provinces at the time the federal department was established. There were no fair wages resolutions or laws. These fair wages resolutions fixing minimum wages and maximum hours have extended to provinces and municipalities through the example set under a Liberal administration in this country. What we have to-day in many of the provinces in the way of minimum wage boards and the like have been in large part the outcome of the example set by the Liberal administration at Ottawa.

The Industrial Disputes Investigation Act is the next mentioned here. The Act was passed in 1907; it has remained upon the statutes ever since. It has been amended here and there, but essentially the act is what it was at the time it was passed by this house. I think it is an open secret that, while the act was introduced in this House of Commons by the Hon. Rodolphe Lemieux, who was Minister of Labour at the time, I was the one who drafted the act. I was still at the time deputy minister of the department. I am not taking that credit to myself, because time and time again that credit has been given publicly by Mr. Lemieux himself.

Mr. BENNETT: The privy council declared it ultra vires.

Mr. MACKENZIE KING: My right hon. friend says the privy council declared it ultra vires. Well, it is still on the statutes and is being enforced by his own government. May I say to the Prime Minister that I think he does not mean the Industrial Disputes Investigation Act but the Combines Investigation Act or the Fair Prices Act.

Mr. BENNETT: No, the Combines Investigation Act was sustained.

Mr. MACKENZIE KING: Well, the best answer I can give to the Prime Minister that the Industrial Disputes Investigation Act is not ultra vires is that I have here the report of his own Minister of Labour giving an account of what was done under the act last year.

Mr. BENNETT: The right hon. gentleman knows that the provincial legislatures enacted certain measures.

Mr. MACKENZIE KING: This is a federal measure and has nothing to do with the provincial legislatures.

Mr. BENNETT: Yes, everything. It was declared ultra vires.

Mr. MACKENZIE KING: The Minister of Labour is administering the act to-day, and there have been I do not know how many different boards established under the act within the past year. The act is still in force, it may have required amendment as the result of some appeal to the privy council. If however, as the Prime Minister says, it had been declared ultra vires, it would be all the more reason why he should proceed very

carefully with any industrial legislation and make sure that he gets in advance an opinion of the law officers or of the supreme court or any other authority available as to the intra vires of any legislation he may attempt to introduce.

Now we come to another act, the Government Annuities Act, a further piece of social legislation. Who was responsible for that act? It was passed in 1908 under the Liberal government of Sir Wilfrid Laurier, and the minister who introduced it was Sir Richard Cartwright, Minister of Trade and Commerce at the time. The annuities branch was organized under the Department of Trade and Commerce but was later transferred to the Department of Labour.

The next measure mentioned is the Employment Offices Coordination Act. One might think we were getting somewhere near the point at which the Conservative party could claim something, but this act was passed in 1918. At that time we had no longer a Conservative administration but a union government composed of both Liberals and Conservatives, and this act I have no doubt owes its existence to the Liberals who were members of that government.

Then we come to the Technical Education Act, 1919. What was the genesis of that measure? The Technical Education Act embodied in legislation certain recommendations of a royal commission on technical education. Here again may I say, when the Prime Minister asks, "What has Mr. King done?" and hon, gentlemen say, "What has he done in these matters," that, in addition to having been deputy minister of Labour, I was for two or three years Minister of Labour in the government of Sir Wilfrid Laurier, and when I was Minister of Labour I was responsible for some measures which I thought would be helpful in improving social and industrial conditions. One was the appointment of a royal commission on technical education. That commission made an extensive study of the question, made its recommendations, and it was on the basis of the recommendations of that commission that the Technical Education Act was subsequently enacted. The war intervened between the time the report was made and the time the legislation was enacted, but the legislation was enacted not by a Conservative government but by a union government in 1919 carrying out recommendations arising out of the report made by the Commission appointed by the previous Liberal administration.

The next measure mentioned is the Combines Investigation Act. That act has an interesting history. The Combines Investigation Act was first introduced in this parliament by myself as Minister of Labour. It was a measure for the drafting of which I was responsible. It was as far as I know the first measure that was at all effective as a means of investigating alleged anti-social practices of large businesses in the nature of combines, monopolies, trusts and mergers. That act was passed in 1909, and remained on the statutes until a Conservative administration came into office. In 1919 when the Union government had begun to lose its union complexion and became more and more a Conservative government, the act was repealed, and in its place was substituted what was called the Fair Prices Act as well as the Board of Commerce Act. The Prime Minister talks about measures being declared ultra vires. Both those measures were declared ultra vires. The Combines Act had been previously repealed, so that the country was left without any measure to investigate the anti-social practices of large commercial institutions in the nature of combines, monopolies, mergers, trusts and the like. When, however, a Liberal government was returned in 1921, there being no legislation of the kind, a measure of state intervention providing for the investigation of combines, monopolies, mergers, trusts and the like, was at the time I was holding the office of prime minister re-introduced and re-enacted. It was introduced by the then Minister of Labour the Hon. James Murdock, who brought in the measure at the instance of the government.

The hon. member for Dufferin-Simcoe (Mr. Rowe) this afternoon said, "We had a lot of mergers during the period that act was on the statute books." Certainly there were mergers, because mergers were the order of the day all over the world. This act was not aimed against mergers as such. They were in the same class under the act as combines, monopolies or any other agency that might operate in restraint of trade. The provisions of the act were not intended to prohibit parties in Canada from combining or forming a merger or anything of that sort wherever business endeavoured to hold its own in competition with similar concerns in other provinces or in other parts of the world. They were, however, intended to cope with the inimical effects of large combination where its operations were against the public interest. It was because large combination was so powerful, because it could in one way or another take advantage of those in unprotected spheres of life, that this measure was enacted. I will not go into the details at present because the question will undoubtedly come up for discussion on another occasion.

Hon. gentlemen say, "What did Mr. Mackenzie King and his government do, while in office, in the way of furthering social legislation? I have spoken of the Combines Act, of the Fair Wages and Eight Hour Day Act, enacted the one in 1923, the other in 1930. I might have added that we gave to labour a place on the board of directors of the Canadian National Railways, but there was one measure more important than all the others. It is the Old Age Pensions Act, enacted in 1927. We began to work toward that end in 1924. If anyone will give careful study to the question of social insurance and of social legislation generally, he will realize that the place to begin with legislation of that kind is with the older members of the community, those who have spent their lives in industry and who because of age, because of the introduction of machinery as it is used to-day, demanding extreme exertion, are prevented from continuing in their work and are consequently thrown out of employment—thrown out, through no fault of their own but simply as a result of the way in which industry is operated. Now, these are the persons for whom first of all the state ought to care.

But before legislation of the kind can be introduced and made operative something else is necessary, and of this I am afraid the present government is losing sight. You may have all the social legislation you please, old age pensions, insurance for sickness, invalidity, unemployment, and so on; but, unless you have money wherewith to make the payments necessary, you cannot carry out that legislation. I shall be able to show that hon. gentlemen opposite have themselves given that reason for not carrying out legislation which they have passed. The first thing is to make sure of where the money will come from.

I have always held the view that we could not have much in the way of prosperity in the country if we had not much in the way of trade; and, therefore, as part of the policy of the Liberal administration, seeking to improve industrial conditions, I have always endeavoured, as the basis of Liberal legislation, to introduce measures that would further rather than restrict trade, measures that would help to develop the trade of the country and, by developing its trade, provide employment in the natural and proper way.

What good are minimum wages to men who have no work? What good are maximum hours to men who have no work? The sweating system is usually to be found where there is very little work. How are old age pensions to be paid if there is no general employment? How are you to take care of the sick if you have insufficient revenues out of which to meet the necessary disbursements? Can you go on developing all these services on borrowed money indefinitely and not have the credit of the nation suffer? Can you carry on any scheme of social legislation unless you have the wherewithal to do so?

In that view of things will be seen the foundation of Liberal policy on social legislation as well as much else; and if the Liberal party in the federal field, during the time I had the honour to be Prime Minister, did not introduce more in the way of so-called social legislation than it did, it was in the main for two reasons, one of which I have already indicated, namely, that up to the present time, until within the last few weeks, it has been understood that practically all legislation of a social character came exclusively within the jurisdiction of the provinces, the other reason being that we did not know where we should obtain the wherewithal to carry out these policies until we got rid of the cumulative deficits which we had inherited when we assumed office.

We started out with a policy of balancing the budget; a policy which would develop trade by reducing the duties on the implements of production in the basic industries; by reducing the tariff on many of the necessaries of life which enter so largely into the budget of the working classes; and by lowering other tariffs which would further trade by means of reciprocal agreements, and in other ways. As a result of these policies, we not only succeeded in putting an end to the deficits, but for seven years we had surpluses instead. Equally, we felt the necessity of reducing taxation, and our policies were the means, as hon. gentlemen know very well, of bringing down very materially the taxation of this country in a way which helped industry and all classes connected with industries. The sales tax, which at one time was 6 per cent, was brought down to one per cent before we went out of office. The rate of the income tax was lowered with respect to the lower incomes, while small incomes were wholly exempted. The various nuisance taxes, so-called, were completely abolished. The postage rate, which had been 3 cents, was brought down to 2.

All these measures were part of a policy designed to make possible the development of trade and to improve social and industrial conditions throughout the country in order that

work might be provided, that the revenues themselves might be increased and that we might have the means whereby to carry out some of our social ideas.

Let me recall the Prime Minister's question asked at Montreal: "If you don't want your old people cared for then vote for Taschereau and King?" Here is my answer to the falsity of an assertion of that character. In April 1924, on the records of the house, there is a statement that a special committee was appointed on the motion of Mr. Mackenzie King to make inquiries into an old age pensions system for Canada. It was recommended that the provinces should be communicated with in that connection. In other words, the Liberal party proceeded, as it always has in social as well as in other matters, on the basis, not of seeking to stir up enmity between the dominion and the provinces, not of making such appeals as, "Are you going to support Taschereau and King," but of endeavouring to have the provinces and the dominion work harmoniously together for the purpose of furthering great social objectives. We have sought to communicate with the provinces and to secure their good will in matters of the kind. We succeeded in getting it with regard to old age pensions, but we had to act within the lines that the officers of the crown told us were possible. On May 1, 1925, the special committee was again appointed. On June 16, 1925, the committee recommended in favour of setting up a scheme but also that an effort be made to receive cooperative action on the part of the provinces. In 1926 the bill, after much debate and criticism from the then Conservative opposition, was adopted in the house. The Conservative party, however had a majority in the Senate and the bill was defeated in that chamber. Such was the initial fate of this Liberal measure of social reform. I wonder what the fate is going to be of these measures of social reform, when they go to the Senate, should they ever get through a Conservative majority in the house. I hope the electorate will bear in mind the complexion of the Senate as it was all the time the late Liberal administration was in office and is likely to be for many years to come, and I hope it will remember the Senate's action on the first extensive measure of social reform that was introduced by a Liberal government—an old age pension measure passed by the House of Commons under Liberal administration and defeated in the upper house by a Conservative majority. The matter, however, was not allowed to drop there. The following year, after the general election of 1926, a bill identical in terms was introduced in this house by the then Minister of Labour, Mr. Heenan. After considerable discussion it passed both houses and received royal assent on March 31, 1927. There in part is my answer to the Prime Minister as to whether as a Liberal I have done my share as opportunity has presented itself to further social and labour legislation in this house and in the country, and as to whether, when I was Prime Minister, I sought to give practical effect to the principles laid down in the work on industrial reconstruction to which I referred this afternoon.

There is one other measure to which I should like to refer but which is not mentioned by the Minister of Labour in his report. It is significant that it is a measure of social legislation. With the exception of the relief measures, it is the only social legislation that this government has passed since it came to office. I refer to the Act for the promotion of vocational education in Canada passed by the House of Commons on July 23, 1931. There are some of us here to-day who well remember the discussion on that measure. At the time it was introduced I said to hon. gentlemen opposite that I thought they were in for a pretty large outlay in connection with their unemployment relief schemes; that they had better have a conference with the provinces to discuss the financial relations between the provinces and the dominion and the financial circumstances of the provinces and of the dominion in regard to these matters; that before they went in for making further grants in aid of one kind or another to the provinces, they had better find out if they were prepared for the taxation and revenues necessary to meet those obligations. But, no, they were persistent, they were going to have this measure upon the statute books. Well, it is there, just as the Prime Minister said it was important that the people should have on the statute books an act pertaining to elections whether its provisions were available for use or not. What happened in regard to the vocational education measure? In the report of the minister there is no mention of the act. It is not there because it is buried. The government sent a communication privately to the different provinces to say it could not be carried into effect. There was to be a payment of $750,000 annually for fifteen years; that was what they were committing themselves to. I do not know how much they are going to commit themselves to on their social projects; probably they may run into many millions of dollars, but if they do not mean more than this measure, let the Lord help those who are expected to benefit by them and those who are in suffering and in need. Here is

what was said about this act in a letter dated September 15, 1931, from the deputy minister of labour at Ottawa to the provincial governments:

I am instructed by the minister, however, to advise all provinces that after careful consideration by the government it has been decided to postpone the operation of the act until such time as the economic conditions of the country warrant expenditures being made in connection with the work to be promoted under the terms of the act.

I suppose that is what we shall hear in regard to any more social legislation hon. gentlemen opposite may introduce. If they are going to attempt all this social legislation and at the same time keep up the tariff walls of this country and restrict trade as they have been doing, I am afraid all the social legislation will go by the boards just as this measure in regard to vocational training has gone and for the same reason. So much by way of reply for the present to the Prime Minister's question to the people of Canada as to whom they should support, when they came to consider matters of social and industrial legislation, whether they should support him or support me.

I said this afternoon that I thought the Prime Minister might have been reading this book of mine on Industry and Humanity and obtained some of his social views from that perusal, but he shook his head, so I conclude that he has not yet seen it and that somebody has told him about the contents.

Mr. BENNETT: Not yet. I have not seen anybody that has read it; that is the trouble.

Mr. MACKENZIE KING: There is one document, however, with which I know the Prime Minister is familiar and that is one embodying the statement that I made in this house, not just on the eve of an election but on February 27, 1933, two years ago, when I set out the position of the Liberal party in regard to some immediate problems. My right hon. friend has been saying that the Liberal party has no constructive policy; he has passed the word around among his followers that the cry is to be that the Liberal party has no policy. He has said as much in his radio broadcasts. He says however, that our policy is at once activity and inactivity. That is pretty much the line he takes all through; he gets in the opposites on all occasions, so that the compass will be boxed on all sides. While he did say that we had no policy at all, there is one thing I feel a little pleased about and it is that in the speech from the throne the Prime Minister has embodied amongst his measures a good many that have been put forward as their policies by the Liberal party. There can be no dispute on this fact, as all that is needed by way of comparison with what appears in the speech from the throne is a reference to Hansard of February 27, 1933, where there is set forth an exact statement of what those policies are.

I shall take a few minutes to refer to those parts of the speech from the throne which deal with the matters which the Prime Minister says constitute a part of his reform program. The speech otherwise is not so important. Part of it has pleasant references, I am glad to see, to the Jacques Cartier celebration and also to His Majesty's silver jubilee. Then there are references to some administration measures and references to some agreements and commissions which are to be further dealt with, which by the way happen to be also Liberal measures. The Duncan commission to which reference was made was appointed by a Liberal administration and a large part of its findings were implemented by the late Liberal administration. The agreements with Saskatchewan and Alberta were part of the agreements made by the late Liberal administration with the western provinces, including Manitoba, whereby the natural resources of these provinces were returned to them. There are a few matters of that kind, and one or two administrative measures that we may hear about during this session. Apart from that the speech from the throne relates to proposed social legislation.

Where, may I ask, do these proposed measures come from? We read this in the speech:

In these improved conditions, there may now successfully be carried forward those great tasks of reform upon which the well-being of this country depends . . . reform measures will therefore be submitted to you as part of a comprehensive plan designed to remedy the social and economic injustices now prevailing, and to ensure to all classes and to all parts of the country a greater degree of equality and the distribution of the benefits of the capitalist system.

The first of these—and it has to be read along with one which appears a little further on—relates to the social matters that I have just recited:

Better provision will be made for the security of the worker during unemployment, in sickness and in old age.

Also:

Action will be taken to ameliorate the conditions of labour, to provide a better and more assured standard of living for the worker, to secure minimum wages and a maximum working week, and to alter the incidence of taxation so that it will more directly conform to capacity to pay.

I think I have already indicated where part of the policy there outlined has come from. May I indicate where the rest of it has come from? Here, as elsewhere, I wish to cite a part of Liberal policy which is not being put forward to-day for the first time on the eve of an election but which has been our policy from the start. It is the policy which I advocated years ago and at the first session of this parliament and which I have advocated every session since, as hon. members well know. What is the first item which appears in the published statement of Liberal policy?

Unemployment of First Concern

The Liberal party believes unemployment is Canada's most urgent national problem. It would deal with the present emergency conditions through a representative national commission, which would cooperate with the provinces and municipalities in the administration of unemployment relief, and in an endeavour to provide work for the unemployed.

That is a step which, if it had been taken at the time, or if it had been taken in any year up to the present, would have served to coordinate all the efforts that are being put forth by the dominion, the provinces and the municipalities to provide work for the unemployed. It would have saved a waste of millions of dollars and would have helped relieve the situation to a degree to which it has not begun to be relieved. The Prime Minister has no constructive plan of that character even yet, and he has not put anything of that kind in the speech from the throne. Again I say to him that if he wants to deal with this problem as it should be dealt with, he should have a representative national commission to deal with this matter. What else might have been done? What did I point out at the time I was advocating this step? I pointed out that such a commission could, amongst other of its duties, gather the necessary data on which to base an unemployment insurance scheme. Had this step been taken we would have known ere this who were the men and women best qualified to hold positions in connection with any national commission dealing with these questions.

What else is set forth in this statement of Liberal policy?

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.

Does the Prime Minister claim that this is his policy, a national system of unemployment insurance? We have been advocating it since 1930. Why have we had to wait until 1935 to have it even mentioned that it is to be part of the policy of the Prime Minister?

[Mr. Mackenzie King.]

Now let me come to the next matter mentioned in the speech:

My ministers are now engaged upon a survey of the national debt structure to determine what action may be practicable and advisable to effect further improvement in it.

Where did the Prime Minister get that? I read here, from the same statement of the position of the Liberal party on some immediate problems, the following:

The Liberal party believes the aim of every government should be the balancing of its budget.

It would seek to effect that end, by retrenchment of public expenditures, by reduction of principal and interest on the public debt, by a reduction in taxation, and by increasing revenues through the encouragement of trade.

It will seek to effect a reduction of the cost of government in Canada by a careful inquiry into federal, provincial and municipal costs.

In all of these matters, as the house will observe, the Liberal statement of policy is a much more comprehensive and extensive statement than anything embodied in the speech from the throne.

Now let us come to the next point in the speech:

It is the policy of my ministers to pursue vigorously every opportunity by which our world trade may be increased.

Where did the Prime Minister get this idea with regard to world trade? I find in the Liberal statement of policy, as given by me in this house in 1933 and as urged from the outset, the following:

The Liberal party believes that trade is the basis of industrial and commercial development, and that Canada needs trade.

It will promote trade with all nations—

That is what the Prime Minister is just now saying here, that the policy of the government is to encourage world trade:

—and negotiate trade agreements with any countries willing to trade with Canada on a reciprocal basis.

This afternoon we had from the Prime Minister a statement telling us that now, at the end of this parliament, just on the eve of an election, his government and the government of the United States are negotiating with regard to a reciprocal trade agreement. For years we have been advocating that some steps should be taken in that direction. Over and over again we have asked the Prime Minister whether any progress was being made in negotiations with respect to a reciprocal agreement between Canada and the United States. I am not so sure that he has got very far even yet. If I caught his statement correctly this afternoon it was to the effect that it would be

March or later before the United States would be able to say definitely what they were going to be able to do. At any rate the Prime Minister will hardly say that a reciprocal agreement with the United States has not been a part of the Liberal policy at all times. If there is in the offing the negotiation of an agreement with the United States with respect to reciprocal trade with Canada, it is all the more reason why the people of this country should be given the opportunity immediately of saying who they wish to negotiate that treaty, whether they wish it to be negotiated by a party that defeated reciprocity when a reciprocal agreement had been arrived at, now many years ago, or whether they want it negotiated by a party which was prepared to sacrifice, and did sacrifice, its political life in order to obtain a larger measure of freedom in trade between these two countries. I am reminded of the cry with which we were met when the Liberal party negotiated that agreement; it was that there should be no truck or trade with the Yankees. Now my right hon. friend, who was perhaps loudest in his objections to the reciprocal agreement, is the one who says he is negotiating with the United States.

What is the next paragraph in the speech from the throne?

> You will be invited to enact measures designed to safeguard the consumer and primary producer against unfair trading practices and to regulate, in the public interest, concentrations in production and distribution.

Where did the Prime Minister get that idea? I find under the heading Liberation of Internal Trade, among the policies laid down as those of the Liberal party, the following:

> The Liberal party will seek to end artificial price control, and agreements in restraint of trade. Price fixing by agreements restrict and hamper trade internally. The internal trade of our country has become honeycombed and enmeshed by secret understandings and agreements.

There, in other words, as in the other instances I have cited, is a more comprehensive statement than is embodied in what I have just read from the speech from the throne.

Then what is next? The speech says:

> You will be invited also to enact measures to provide the investing public with means to protect itself against exploitation.

What did we say a couple of years ago, in specific words, in our statement of policy with regard to the control of investments?

> The Liberal party believes the financial mismanagement of industry is largely responsible for many conditions obtaining to-day.
>
> To prevent exploitation of the public through the sale of watered stock and worthless securities, it believes an investment control board should be established, with supervision of issues of securities by companies incorporated under federal charters.

Yet on top of all this the Prime Minister says the Liberal party has no policy.

Now may I come to another reference. After speaking of the government's renewed determination to make use of the agencies of conciliation and cooperation provided by the League of Nations, the speech from the throne continues:

> It will be the object of my government to support this policy and to work towards the progressive reduction of armaments and the stabilization of international economic relations.

Just to show that his is not the only party favourable to the League of Nations and policies advanced by the League let me read what appears under International Relations in the statement of the position of the Liberal party.

> The Liberal party will seek to further wherever possible those courses in international relations which make for peace and good-will among nations, and promote friendly intercourse between them. It will seek to further the work of the League of Nations.

I have read from statements that appear in the speech from the throne, the whole of the program of social reform, as it is put forth there by the Prime Minister, and which are the most important of the measures he is bringing before the house this session. Naturally if these measures are at all in accord with what we had in mind in our statement of policy, they will receive very sympathetic consideration from this side of the house, but may I say that some things are wholly wanting in the declarations which appear in the speech from the throne. Their omission in any statement of policy by the Prime Minister is just about as significant as is their inclusion in the Liberal statement of policy. In the one case it means that the government opposite intend to do nothing, whereas in the other case it means that a Liberal administration stands in addition for these things as part of its policy. I have read only one part of the statement of the Liberal position with regard to trade. Let me read the whole statement as it is set forth, and remember that these are policies for which the Liberal party stands, for which it has stood in the past, and which it will put in force if it is returned to office. I might add they are all policies which have received the unanimous endorsation of the entire Liberal parliamentary party, and in addition the unanimous endorsation of the National Liberal Federation which represents the Liberal party as organized in associations and clubs throughout the country.

Here is the statement in regard to trade:

The Liberal party believes that trade is the basis of industrial and commercial development and that Canada needs trade.

It will promote trade with all nations and negotiate trade agreements with any countries willing to trade with Canada on a reciprocal basis.

It will abolish the extravagant increases in the tariff made by the present administration, which have had the effect of strangling trade, exploiting consumers and robbing railways of business.

It will abolish all unwarranted extra taxes on imports, such as the exchange and dumping duties, as imposed by the present administration.

It will end the making and altering of tariffs by executive action.

It will substitute stability for uncertainty in the administration of customs laws.

It will continue the Liberal policy of British preference by a percentage reduction in existing tariffs rather than by a percentage increase against foreign countries in existing tariffs.

It will grant to British imports a real preference.

I have already referred to the liberation of internal trade. Let me now read the Liberal policy with respect to the development of primary industries:

The Liberal party, by its policies, will continue to further the development of agriculture, lumbering, mining and fishing by effecting reductions in the costs of production of Canada's basic products, by obtaining wider markets therefor, by encouraging export trade, and by state assistance in the marketing of natural products.

Looking at the speech from the throne and listening to the speeches of the Prime Minister over the radio I have come to the conclusion that his policies are a sort of omnium gatherum, they are intended to take in a little of everything he can discover in anybody's policy. He has a little from the Co-operative Commonwealth Federation; he has a great deal from the Liberal party, but he has very little that is new, so far as his own party is concerned. However I can see pretty clearly the trend of affairs. He has told us that his policy is going to be a continuing affair; these promises are not going to stop now. They are to go on, on, on, on, until the moment of the last hour of the election. The promises which have not been redeemed are to be redeemed by promissory notes carrying other promises. That is the effect of it. I want to say here and now, and particularly after what we have heard this afternoon, what I think will happen before an appeal is made to the people. We see appearing the thin edge of the wedge of reciprocity with the United States. That much is brought forth at this stage to carry along what may appear as, up to the right moment, the government's intended course of action. If it does not suit the Tory party to have the terms of any agreement made known, or to have the agreement itself submitted to parliament, or to have any agreement entered into before the election, the prospect will be kept dangling along as a sort of half realized promise. We will also find that on the question of tariffs there will also probably be a conversion on the part of the Prime Minister which will bring him in the direction of the Liberal camp. He will come along and perhaps offer free agricultural implements or possibly free motor cars, or very considerable reductions in tariffs on implements and motor cars and other commodities. Let me say to the Prime Minister here and now that all of these are Liberal objectives, and have been right along. If he wishes to join us in our endeavour to get the duties lowered or taken off some of these things which are unduly protected, now is the time to come over here and help to advocate such changes—not wait until the last moment of the election.

Let me now refer again to another matter of Liberal policy namely the control of credit. Here is what the Liberal party advocates—not a central bank put into the hands of a private corporation, but a properly constituted central bank. I read again from the statement made in this House on February 27, 1933:

Liberalism believes that credit is a public matter, not of interest to bankers only, but of direct concern to the average citizen. It stands for the immediate establishment of a property constituted national central bank, to perform the functions of rediscount, and the control of currency issue, considered in terms of public need. A central bank is necessary to determine the supply of currency in relation to the domestic, social and industrial requirements of the Canadian people; and also to deal with the problems of international commerce and exchange.

Then we come to the National railways; let me make clear the Liberal policy in that regard. I read from the same statement of policy under the heading Safeguarding of national railways.

The Liberal party stands for the maintenance of the integrity of the Canadian National Railways, as a publicly owned and publicly controlled service.

Not as some private enterprise, but as a publicly owned and publicly controlled service.

Now, let me read our statement of policy on the democratization of industry, a phase of industrial reconstruction upon which I touched in my remarks this afternoon, but which is far ahead of anything suggested by the Prime Minister in the way of an improvement in industrial conditions.

The Liberal party believes that industrial reconstruction is the problem of the future.

It will seek in industrial relations as opportunity offers, to give to workers and consumers a larger share in the government of industry.

Then I come to what has grown to be an even more urgent matter of policy, the restoration of responsible government, a reform which is becoming increasingly important.

The Liberal party believes that the present crisis has been made an excuse for the usurpation of the rights of parliament and the assumption of autocratic powers by the executive. Liberalism stands, as always, for the principle of a free parliament, and for the supremacy of parliament. To this end it would repeal the legislation enacted by the present administration, which deprives parliament of its control over expenditures and taxation, and invests the executive with unwarranted arbitrary powers, as for example:

(1) legislation permitting the executive to enact measures by order in council for peace, order and good government, and

(2) legislation providing the executive with a "blank cheque" for expenditures of any kind.

And equally and increasingly important our policy with respect to the reassertion of personal liberty:

The Liberal party believes that under the excuse of the present crisis, the rights of the individual have been violated. Liberalism stands, as always, for the British principle of free speech and free association, and to this end will repeal section 98 of the Criminal Code, and end the present practice of arbitrary deportation.

Then there is the party policy with respect to electoral reform, a timely subject in view amongst other things of costly expenditures for radio purposes, especially nation-wide broadcasts:

The Liberal party stands for electoral laws which will ensure a true parliamentary representation of the Canadian people, and such legislation as may help to reduce the cost of election campaigns.

Finally I come to what I regard as next to our trade policies the most important of all, our policies with respect to the more equitable distribution of wealth, which covers the matter of social legislation:

The Liberal party recognizes that the problem of distribution has become more important than that of production, and believes that personality is more sacred than property. It will devote itself to finding ways and means of effecting a fair and just distribution of wealth with increasing regard to human need, to the furtherance of social justice, and to the promotion of the common good.

Let me repeat these statements of policy are not statements put forward in a speech from the throne in the present year. They are not something which has been sent broadcast by means of the radio within the past few weeks. They are policies upon which all the by-elections to which I have referred have been fought.

Some hon. MEMBERS: Hear, hear.

Mr. MACKENZIE KING: They are policies amongst others upon which the general election will be fought.

Some hon. MEMBERS: Hear, hear.

Mr. MACKENZIE KING: There are other policies which at the present time I have not time to mention.

The point above all others to be considered at the moment is this: In view of the circumstances with which we are confronted, what should be the attitude of the Liberal party? We are informed that there can be no general election until April 15, unless as a result of what has been said this afternoon and this evening the government should change its mind; I trust it will. At any rate, we have all been summoned and are now assembled together in parliament. I do not propose to move any amendment which might protract or delay proceedings, but I do propose to suggest to the Prime Minister and hon. gentlemen opposite that we should lose as little time as we possibly can in taking into consideration all these measures of social reform which are so urgent. We have been called together to consider these matters; we have been told over the radio by the Prime Minister that the main purpose of this session is the reform of the capitalist system, and the enactment before its close of the measures necessary to this end.

Well then, let us see if we cannot manage at least that much. Let the government come forward with their measures. If the measures are of a character which are likely to ameliorate and improve conditions in any effective way, I can say immediately that they will receive the very hearty support of hon. gentlemen on this side of the house. But we will reserve to ourselves the right to consider very carefully on its merits every single measure, and every provision of every bill. We do not propose, under the guise of legislation to help the working classes, to have further reactionary legislation passed by this House of Commons, or to allow the government to put through legislation of a character which is going to make more difficult than ever the solution of the great problems with which the country is faced.

As a means of expediting and hastening the consideration of these matters, I would ask the Prime Minister when he gets up to speak this evening, as I hope he will, to tell this house whether as leader of the government, knowing that a question will come up immediately as to the jurisdiction of this parliament and of the provincial legislatures in matters of social legislation, he has secured

an opinion from the law officers of the crown or from the Supreme Court of Canada which will be a sufficient guarantee to this house to proceed with these measures as being without question within its jurisdiction.

I want to make it perfectly clear that I do not feel that a matter of jurisdiction should be allowed in the last analysis to stand in the way of anything in the nature of a national reform that may be generally recognized as necessary and urgent. If it be found that jurisdiction does interfere, that it is an obstacle, then I think the proper step should be taken to see that the British North America Act is so amended as to make possible the enactment of such legislation. In taking any step of this kind I think we should remember that perhaps the most serious subject with which parliament at any time can be called upon to deal is one which raises a question of the relationship between this dominion and the provinces, and in all such matters we must consider very carefully the views the provinces may hold in regard to what are their rights and the views which this dominion may hold in regard to what are its rights. For my part I believe that through conference and good-will it will be possible to obtain by reason and consent—though not by coercion—whatever is needed by way of amendment to the British North America Act. But I do say that any effort to secure social reform by means of coercion of one or more of the provinces by the dominion, rather than by an endeavour to secure the consent of all, is going to make the situation in this country much more difficult than anything we have thus far faced. It is a situation that cannot be watched too carefully at the present time. I do not mean that with respect to all matters the consent of all the provinces should be necessary to any amendment. That has never been the case. A reasonable formula can I believe be worked out as a result of a conference between the provinces and this dominion which will serve to meet the situations that are likely to arise, but such a conference would have to be one worthy of the great objective being sought; not any two-day affair.

I make this statement now for this reason, that the Prime Minister to-day gave us an earnest of his desire to proceed rapidly with these measures by moving forward one stage, a resolution with regard to a bill on employment and social insurance which stands on the order paper in his name. The resolution moved by the Prime Minister this afternoon was as follows:

> That to-morrow the house take into consideration the following resolution:
>
> [Mr. Mackenzie King.]
>
> 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.

The reason I have asked the Prime Minister to state as soon as he can to this house on what authority he is proceeding with these measures is that I find that in the past both he himself and his ministers have taken the view that this parliament is not competent to deal with many of the matters that are mentioned in his resolution. Now I am not making that contention. I am not setting forth any attitude other than what the government itself has taken in stating its position from time to time. Sir Henry Drayton, when the old age pensions bill was under consideration—he was one of the Conservative leaders in the House of Commons at the time and had been Minister of Finance—said on March 26, 1926, as will be found at page 1943 of Hansard:

> Simply this: if you make the scheme contributory you enter at once upon the domain of property and civil rights, and that is absolutely in the hands of the provinces.

He was referring to the contributory feature, which is a feature the Prime Minister has in his resolution, where it speaks of providing for such contributions as may be necessary to carry into effect the proposed legislation.

Sir Henry Drayton went on:

> The whole thing is provincial, and my hon. friend's point is well taken. No contributory scheme, no insurance nor anything of that kind could be worked out through the agency of the dominion. It must be left to the provinces.

I am not giving that as my opinion, but as the opinion of one who was a Conservative minister of finance in his day.

Let me give the Prime Minister's own statement on these matters. This is very important, I think. The present Prime Minister, speaking in this house on March 26, 1926, said, at page 1970 of Hansard:

> In the first place, it is quite clear, although it has never been exactly determined, that the provinces have perhaps sole jurisdiction with respect to the granting of old age pensions, and secondly, that this parliament has power by the grant of money to supplement the action of the provinces in that regard.

Later on in the same debate the present Prime Minister said:

> Faulty legislation placed upon the statute books the effect of which is to bring about chaos is very much to be deprecated. Anyone who has followed the course of legislation in any country, especially legislation of this char-

acter, will realize that where you rely solely and entirely upon experiments you have nothing but political action, following political action and what was intended to be a great benefit has in many instances been a positive disadvantage to the very class it was intended to benefit.

Holding that view myself, I think it is very important that this whole question of jurisdiction should be cleared up in a manner which can give cause for no occasion either of doubt or debate. For that reason I want to ask the Prime Minister if he has obtained from the law officers of the crown an opinion different from any that has been given in the past, or if he has obtained an opinion from the supreme court in these matters. I say the law officers of the crown because at the time when the old age pensions matter was before parliament we had an opinion from them in the matter. It was an opinion given to the committee which was considering the bill, and it is an opinion which has governed parliament ever since in matters of social reform. It will be found in the votes and proceedings of June 16, 1925, and from it I will quote just this one paragraph:

In view of the position taken by several of the provinces and more particularly by Saskatchewan, Alberta and British Columbia, and having in mind what the British North America Act, under sections 91 and 92 defines, your committee resolved to obtain an authoritative opinion from the Department of Justice in respect of the points thus raised, and on the twenty-third of May last, the Deputy Minister of Justice replied as follows:—

"Referring to your letter of the twelfth instant, asking to be advised with regard to the authority of parliament to legislate on the subject of old age pensions, I may say that this subject does not fall specifically within any of the enumerated subjects given to the dominion under section 91 of the British North America Act, but does in my judgment fall within the subject "Property and Civil Rights in the Province" committed to the provinces under section 92. I am of opinion, therefore, that the subject matter of pensions has been entrusted to the provincial legislatures rather than to parliament. I do not mean to suggest that parliament has not the power to legislate upon the subject so as to assist the provinces or to establish an independent voluntary scheme, provided that in either case the legislation does not trench upon the subject matter of property and civil rights in the province, as for example by obligating any province or person to contribute to the scheme.

The enactment of such legislation would, however, involve the assumption by the dominion of obligations involving heavy expenditures with regard to a matter which does not fall specifically within the dominion field of legislation."

Until we get that opinion authoritatively reversed it seems to me we will be at sixes and sevens discussing what may or may not be possible under the legislation that is being introduced.

May I point this out to the Prime Minister and the government? It has evidently been seen by previous parliaments that questions of this kind would arise. The wisdom of not inviting debate on the subject on the floor of parliament in any acrimonious fashion and of avoiding steps which might create dissension between the provinces and the federal government, has been recognized in the Supreme Court Act. I would ask the Prime Minister whether he has obtained, under the provision of this statute, any opinion from the supreme court. If he has not obtained an opinion, may I suggest to him now, before we begin a discussion of this matter, that in order to ensure all the expedition possible in the light of certainty, he ask the supreme court to give him an opinion with respect to the question of jurisdiction in any of these social matters that may be introduced, and to oblige parliament by giving that opinion in the shortest order possible. The provision to which I refer is section 55 of the Supreme Court Act, chapter 35, revised statutes, 1927, which reads as follows:

55. Important questions of law or fact touching—

(a) the interpretation of the British North America acts, or

(b) the constitutionality or interpretation of any dominion or provincial legislation; or

(d) the powers of the parliament of Canada, or of the legislatures of the provinces, or of the respective governments thereof, whether or not the particular power in question has been or is proposed to be exercised;

may be referred by the governor in council to the supreme court for hearing and consideration; and any question touching any of the matters aforesaid, so referred by the governor in council, shall be conclusively deemed to be an important question.

(2) When any such references is made to the court it shall be the duty of the court to hear and consider it, and to answer each question so referred; and the court shall certify to the governor in council, for his information, its opinion upon each such question, with the reasons for each such answer; and such opinion shall be pronounced in like manner as in the case of a judgment upon an appeal to the court; and any judge who differs from the opinion of the majority shall in like manner certify his opinion and his reasons.

(6) The opinion of the court upon any such reference, although advisory only, shall, for all purposes of appeal to His Majesty in council, be treated as a final judgment of the said court between parties.

If that step has been taken, I think we shall be on sure ground. If it has not, I think it is the obvious duty of the government to take it at once. I wish to make it clear that not only have some Liberal provincial governments been questioning the right of the federal government to interfere with provincial rights, but Conservative provincial

governments equally have been jealous of their rights. My right hon. friend will recall what happened at the time of the enactment of the Statute of Westminster; how the present high commissioner, Hon. Howard Ferguson, his own representative in London, then Premier of Ontario, took very strong exception to any course being taken by the federal government which might in any way interfere with the rights of his province. I have here a copy of an article from the Montreal Gazette of September 20, 1930, when the matter was under consideration. It states that a memorandum was given to the Prime Minister in which Mr. Ferguson said:

> I am deeply interested in the deliberations of the conference because I have been battling to prevent the destruction of the whole fabric of the Canadian constitution.

So apparently I am not the only one who is trying to save the constitution.

> The memorandum deals with provincial rights under the British North America Act and various treaties and amendments since its inception.

Mr. Ferguson went on to say:

> The result of these precedents has been to undermine the constitutional right of the provinces to be consulted. . . .

He said further:

> —the right of the various provinces of Canada to an equal voice concerning any contemplated changes in the law or the constitution of the dominion rests upon fundamental facts, which are as binding to-day as ever they were upon all the parties to confederation.

That was Mr. Ferguson's view. I am not saying it is right, but it is the view taken by a Conservative premier of Ontario when he was in office. What about another Conservative government, a Conservative government in Saskatchewan which made its voice heard at the same time? On September 19, 1930, the attorney general of Saskatchewan had this word to say:

> "We in this province," said Hon. M. A. Macpherson, attorney general and acting premier, "will endorse Premier Ferguson's attitude that the constitution should not be interfered with in any way until the individual provinces have been given ample time for consideration of any such changes, and the entire matter has been given consideration at an interprovincial conference."

I wish again to say that I think the British North America Act has been a marvelous achievement; thus far it has served its purpose remarkably well, but I wish to make it clear that I think the British North America Act requires amendment in some particulars, and the first amendment that should be secured is the recognition of the right of this country to amend its own constitution. Canada, as far as I know, is the only British dominion that has not that right. There ought to be an amendment arrived at as a result of agreement, as I believe it can be, which will enable this parliament to amend this act with regard to many subjects which will become increasingly national in their character as time goes on. But, I repeat, I believe the way to effect that change is by conference and by securing consent and agreement if at all possible. At all events that should be the first step.

There is one more reason why I think it imperative that this government should quickly let us have a definite statement on these matters; it is that members of the government themselves have been questioning the right of the government to deal with them. My hon. friend the Secretary of State has been active to some extent in the debate this afternoon. Speaking in Montreal as recently as November 27, he is reported in the Montreal Star of that date to have said:

> Political and social propagandists, blind leaders of the blind, were persistent in efforts to induce Parliament to exercise illegal powers inseparably vested in the provinces. No purpose could be served by an illegal attempt by either parliament or the provinces to exercise powers vested in one or the other.

That must be the position of the ministry, if collective responsibility means anything. The Secretary of State was speaking as a minister of the crown, and he made his position very clear. May I add that the Prime Minister himself has been hardly less emphatic on this very point. Read the correspondence, placed on the table only on Friday last by the Prime Minister, the correspondence that passed between himself and the ex-Minister of Trade and Commerce, the hon. member for Kootenay (Mr. Stevens). What did the Prime Minister say in writing Mr. Stevens at the time of the latter's resignation? Here is one passage taken from the correspondence:

> We pointed out to you the danger of creating in the minds of those interested, especially in retail business, the impression that parliament could provide a remedy for the conditions of which they complained in view of the decisions of the courts as to the jurisdiction of provincial legislatures over contracts and price fixing.

Now there is the position, and I repeat that it is all-important that there should be no doubt left with respect to the authority of this parliament concerning anything that it may do or attempt to do in regard to this most important matter of social legislation.

In conclusion let me say this word, that important as all of these matters are, important as all the suggested social legislation may be, consideration of these things should

not be permitted to sidetrack what still remains the most pressing of all problems to-day, namely how those who are unemployed at the present time are to be provided for. Legislation of a nature which requires men to contribute to an unemployment insurance scheme can be of no service whatever to men who have nothing to contribute. Before these contributory schemes for unemployment insurance, for sickness, for invalidity, accident and the like, can work you have to have in the pockets of the people who are to contribute the means of making the necessary contributions. You cannot either effectively begin these schemes or maintain them unless you have in the public treasury money sufficient to enable them to be carried out. Therefore I say that while the matters we have mentioned here are important, all of them relate to the future; they may even go on the statute books, but they may remain there just as the vocational act, passed three years ago, has remained, embalmed for the time being, good for nothing. The provinces may again be told, "Yes, we have legislation, but we are sorry we cannot put it into force because we have not in the treasury the means to carry it out." I therefore say that whatever we do in these matters must be secondary to the immediate need, which is becoming increasingly imperative.

The Prime Minister says that conditions are better to-day than they were in 1932. It would be extraordinary if there were not some improvement, when we consider the millions of dollars spent out of the public treasuries artificially to provide work in this country and in the great country to the south of us. But prosperity brought about by the expenditure of millions of dollars in the form of revenues derived from taxation or borrowing is not real prosperity, for once these expenditures cease the last stage may be worse than the first. What is spent, moreover, will have to be paid for by some incoming government later on. The present problem is how to provide for those people who have no work to do. The numbers of them were 117,000 when the present administration came into office; the numbers on direct relief to-day are over 1,000,00. They are not as great as they were two years ago; then they were 1,240,000 but they are still well over 1,000,000, and relief is being paid out by the dominion, the provinces and from other sources.

Let this House of Commons direct itself first and foremost to dealing with the problem of unemployment. The Prime Minister said in 1930 "I will end unemployment;" and he had the nerve to say over the radio the other evening, "Yes, I said I would end unemployment and I stand by it". If he stands by it, let him end it before this session is over. At any rate, I say to him now that so far as we of the Liberal party are concerned, any reasonable and defensible legislation that will help to ameliorate the situation, whether in the present or in the future, will be received sympathetically. But we well know that the Prime Minister will, if it suits his purpose, allow one measure after another to be brought forward here which has nothing to do with unemployment, and have discussion take place on the estimates from day to day as well as time consumed by the discussion on private members' resolutions, and hold off dealing with unemployment and these government measures of social legislation until well on towards the month of March or April, just as the reciprocity measure is to be held off, and then suddenly dissolve parliament and say, "I should like to have gone through with these measures but the opposition would not let me, and I am going to appeal to the country to allow me to end unemployment and carry this social program through".

I say to the Prime Minister that we are here dealing not with a theory but with a condition. We are assembled at the summons of His Excellency, the Crown's representative, and we are to be here, according to the Secretary of State, at least until the 15th of April. Let us therefore, between now and that time, take as first measures those dealing with the problem of unemployment and social reform and give to them our undivided attention from day to day so that, working together, we may, if at all possible, produce something in the way of a solution. I suggest that to that end this debate be permitted to end very speedily after the Prime Minister and the leader of the third party have spoken, unless there is something controversial in what they say. At any rate, so far as the members of the Liberal opposition are concerned, we are prepared in order to deal with the question of unemployment to end the discussion at once. And in order to get on with the program of social legislation in this and other particulars, and the reform of the capitalist system I say further that we shall be in favour of a motion which will postpone the consideration of private members' resolutions until after we have completed this program. We shall be quite prepared, with respect to supply, to allow the matter to remain over while we are considering these social measures, and if we can get these measures through, I for one will do what I can to join with the Prime Minister in making some arrangement with respect to supply, so that that part of our proceedings will not occupy too much time.

Let the Prime Minister no longer declare that he has met only with opposition in this house. I ask him to join with the Liberal members of this house, and with myself, in seeking to supplement those measures of social and industrial reform; measures in which I have been interested, not on the eve of an election only, but throughout my life.

Right Hon. R. B. BENNETT (Prime Minister): I assume that the right hon. gentleman (Mr. Mackenzie King) knew that during the latter part of his discourse he was entirely out of order, for our rules provide that the subject matter of a future debate may not be discussed in the present debate. But owing to his assumption of wide knowledge, as explained in his book, I thought it undesirable to intervene.

I do not know that I have listened to anything that more clearly demonstrated the soundness of the views I have put forward in the last few weeks than the speech which we have just heard. Nothing more clearly indicated the necessity for the reforms I have proposed, nothing more clearly indicated the urgent need of them, than the speech to which we have just listened. But the difference between the two parties is readily explained in one sentence of the right hon. gentleman. He said, "I put these things in a book".

Mr. MACKENZIE KING: That is more than the Prime Minister has ever done.

Mr. BENNETT: The right hon. gentleman now makes it clear that the book he referred to is Industry and Humanity. Well, I have always found it a little difficult to discover what Job meant when he said he wished his adversary had written a book, until I heard the speech this afternoon, and then I realized the full meaning of the observation. But I turned to a more modern and relevant comment to be found in Revelation:

> And I went unto the angel, and said unto him, Give me the little book. And he said unto me, Take it, and eat it up; and it shall make thy belly bitter, but it shall be in thy mouth sweet as honey.

Mr. DUFF: Let the Prime Minister read verse 11 of the same chapter.

Mr. GRAY: Bitter or sweet, the right hon. gentleman has swallowed the book.

Mr. BENNETT: I am sorry to see that an observation from Scripture so disconcerts hon. gentlemen opposite, but it was to be expected. Now, let us have a clear understanding. I said in the broadcast addresses to which reference was made that my concern is with the Liberal party in Canada since the war. My concern is with the Liberal party in Canada since the war, confronted with conditions such as have never been known in the world. I endeavoured to inquire, and I now propose to inquire, just what the right hon. gentleman did—besides putting it in a book—with respect to the problems to which he has referred. To start with, he came into office in December, 1921. He was in power during 1922, 1923, 1924, 1925, 1926 with a short break, 1927, 1928, 1929 and part of 1930. During the latter part of his term of office this country was in a higher degree of speculation than it had ever before been in its history, and as a result of the failure of his government to take adequate measures to safeguard the public interest, thousands of people became bankrupt and were ruined. Further, the very friends upon whom he relies and upon whom he has relied were those who accomplished those purposes. That is the reason I say that the times cry for reform and that the right hon. gentleman is wholly incapable of effecting reform, because during the period when he had the opportunity in the full flush of power, when he appealed to the electorate in 1925, when he did not receive the majority he sought, and when he came back in 1926, the only reform he put upon the statute books in that year, the measure to which he referred to-night, was a reform forced upon him by the hon. gentlemen who sit to his left. The record of Hansard shows conclusively that that is so and the issue is plain and simple: Are these evils to which he has referred, these evils which we see all about us and which are known to every one of us, the result or not of the capitalist system as it flourished during those years? That is the question. Are they or are they not the result of capitalism as it flourished during those years? If ever there were a case proven it has been by the evidence given by the right hon. gentleman himself to-night. With the amplitude of his power, with all the surrounding he had, he sat quietly by and let those evils flourish to the extent of thousands of his fellow citizens being ruined, and yet his voice was not raised against those evils.

That is not all. When in 1928 I ventured in this chamber to point out the way in which we were proceeding what happened? Those hon. members who may be interested will read in Hansard that on June 9, 1928, I used these words:

> It is true that we have a vast, untouched estate, and that new wealth may be produced much more readily from that than from an old and cultivated estate. But it is also true that where we cultivate, it is necessary that we

should sell, and if we find a curtailment and shrinkage of trade among the nations of the world, we find a limitation placed upon our ability to dispose of that which we produce. The minister knows that. He has been told time and time again by the great heads of financial institutions to be cautious, to look ahead. Every thoughtful business man is doing it; everybody is shortening sail except the speculators. Do you realize, sir, that this great speculative era that we now have on the American continent is one fraught with possibilities of the gravest disaster for this country? The brokers' loans alone in New York last week were over $5,000,000,000, an unheard of figure. In this country speculation is rampant. Some people imagine that trading in pieces of paper upon which there are engraved words and figures constitutes the creation of new wealth. It is not so. The new wealth of the country is being created by the application of labour and capital to the natural resources of the country, and this trading in stock certificates, this great era of speculation in this country and on this continent, is one fraught with possibilities of the gravest danger to Canada, because we have not as they have in the United States a vast accumulation of wealth that will enable us to meet the approaching conditions with ease.

Look at the movement of securities; look at the movement of gold; look at every indication there is with respect to speculation in this country. I know great brokers' houses that have declined to take new accounts in this country for over twelve months, one perhaps the greatest brokerage house in this country, because they fear what they see in the distance. But no one in the government seems to care, and if we point out the conditions we are "pessimists," if we venture to direct attention to the conditions we are "decrying our country." That is the talk that hon. gentlemen opposite hurl at us and before the country. But I recall the language of one who was regarded in after years as one of the very greatest of British statesmen, who observed that when this orgy was through, when they had at last recovered from the debauch in which they were then enjoying themselves, possibly then in their sober and quiet moments they would look back and recall the warning that had been given by those who looking into the future as best they could, guided by those economic signs that were apparent, and by beacon lights, warning of the future, had pointed out the conditions as they also had come to pass. You perhaps will look back upon our warnings, and perhaps remember with at least some degree of fair-minded justice the observations that were made by those of us who have pointed out the national disaster that is inevitable if this orgy of mad expenditure continues.

It is for these reasons, sir, that we make this motion—

And so forth. In 1928 those observations were made by me in this chamber. Were they listened to? I recall one of the ministers that night while walking down from the house with another member and myself, saying: "Why is it that you always talk blue ruin about these matters?" I said to him then that I did not know whether this would come to pass in my time or not. I was reminded again the other day by the third person that it was inevitable disaster would come if we pursued the course we were pursuing. That was the time that action should have been taken with respect to the capitalist system in this country. I urged it then. I urge it now. Not until this time have I had power or opportunity to carry into effect the necessary reform. I have not had the time to deal with the matter during the four long years I have been endeavouring to the best of my ability to sail this ship of state safely into the harbour through the dangers that have been encountered by us. Reference has been made by the right hon. gentleman this afternoon to what has been said by others. I can name leading Liberals in this country who have indicated to me in my office how grateful they were that I was at the head of affairs during those four years.

Mr. MACKENZIE KING: The right hon. gentleman has made statements like this before. It is about time that he gave us the names.

Mr. BENNETT: One of them is Mr. Burton, the head of the Simpson Company. I could give my right hon. friend a dozen others.

Mr. MACKENZIE KING: Let us have them all.

Mr. BENNETT: I am not going to waste the time of the house in doing so. They are the very men who by reason of their general attitude toward public matters have ranked as Liberals, but they have rejoiced in the fact that we have been enabled to deal with the problems of this country as we have. I shall always regard it as a great privilege that in the period of greatest stress through which this country has ever passed, I have had an opportunity of rendering some service to the state.

There is not an hon. member in this house who does not know that during the last four years we were concerned with problems of recovery. We were concerned with the problem of saving the financial, the industrial structure of Canada. We were concerned with the problem of saving this country from absolute ruin, from bankruptcy. Day in and day out, week in and week out, month in and month out, year after year our concern has been the safety of Canada, the preservation of this country, the introduction of such measures of recovery as would enable us to pass through the stress and storm we encountered. It is a matter of satisfaction to me at least, if not to hon. gentlemen opposite, that other countries bear testimony to the fact that Canada emerged from this crisis better than did any

other country in the world. So I say that when the evidence became clear that the greatest danger of the depression had passed, that the country was on the upward grade and moving towards complete recovery, I conceived it to be my solemn duty to introduce into this house such measures as I believed would prevent a recurrence in part of those dangers which we had encountered and those difficulties which we had to overcome. Have I had any opportunity to do this before? Has this government had any opportunity to do it before? Every hon. member knows in his soul better than that. He knows as a matter of fair play and justice that those were not the times when we could deal with these matters. That time was only when this country had shown some sign of emerging from the valley, not of humiliation but of depression and was coming back to prosperity. Now, with the opportunity—because if we have not a majority in the house we have not the opportunity—we are proposing to press forward those reforms in the capitalist system which, had they been passed in the years when the right hon. gentleman was in power, would not have left this country in the condition in which it was in 1930.

Is there an hon. member opposite who is not fair enough to realize the conditions that we faced in 1930? Does he recall the language of the then Prime Minister when he said there was no unemployment in Canada, when he read statistics to prove it? Does he recall that? Does he recall the trade balances of this country? Did he see our exports diminish and our imports increase by hundreds of millions of dollars? Did he see this country sliding down to bankruptcy and insolvency? Was there a thoughtful man who did not see it and know it? Any country is like an individual; when its adverse balances increase there comes a time when they can no longer be redressed by borrowings, and ruin and disaster are the result. Is there a fair minded man in this house to-night who does not realize that this was the condition we faced?

When we had to succeed to those conditions there were before us two pathways; we had to deal with two matters. One was the immediate problem of employment and relief to the people of the country. I was not on the inside until August 7, but when I came into power on that date and we formed a government I learned what the real conditions were after I made the examinations, after I ascertained what the balances really were, when I learned of the contracts that had been let during the last ten days of the life of the administration that had preceded me, and after I realized the obligations and debts that had been created and that we must meet. Almost as soon as we took office we were confronted with the necessity of raising a loan of $100,000,000. Was that a light undertaking just at the time when conditions were breaking all over the world? We had to save the credit and solvency of Canada; we had to raise $100,000,000. One hundred million dollars was a large sum of money. We raised it in New York, and it cost us something over four per cent. It was a difficult task. On the one hand we had the increasing deficits of the railways. We had increasing unemployment. Relief measures were being demanded, and we had adverse trade balances which threatened our solvency. We borrowed that money and then we did the other thing; we passed legislation to provide for the immediate wants of the unemployed and for public works and undertakings to give employment, so far as might be possible, to those who required work. We did not know or understand then, as we did later, that this was not a continent-wide but a world-wide condition, that it was growing worse from day to day, that in every part of the globe those conditions prevailed, that those who should have foreseen such conditions in this country had taken no steps at all to deal with them. In fact from time to time—and I will deal with the tariffs now—they had rejoiced, at Geneva and elsewhere, because Canada had lowered its tariffs twice since 1921. Yet, sir, when this government came into office, the markets of the world in all the great countries were more closed against Canada than they had been at any other period in her history.

Let me repeat that. The markets of the world were closed more against Canada when we came into power in 1930 than they had been at any time in the history of this dominion. Think what that involves.

Mr. RALSTON: And we exported more goods.

Mr. BENNETT: We did not export more goods. As soon as the depression began we exported less goods, and the last tariff that was placed against us by the United States of America radically changed our exports, as the hon. gentleman should know. The tariffs placed against us by France in 1930, while hon. gentlemen opposite were in power, limited and restricted our exports. The tariffs of Germany restricted our exports. In all the great countries of the world there was a complete restriction of our exports going on from day to day, reaching its full height in

the years that came after, while there had been no changes in the tariffs of those countries until we were able to secure better terms from them than prevailed when we came into office. Let it be known that the restrictions that France raised against us reached their very highest when we came into office. Let it be known that a treaty has been negotiated with that republic under which we receive preferred treatment with respect to many commodities. Let it be known that we have negotiated treaties with Germany, with Austria and with other countries in Europe under the same conditions, and now we are negotiating a treaty with the United States of America.

This afternoon the right hon. gentleman suggested that this was a deathbed effort on our part. Let me ask him this: When he was in office, in that very year when the United States was raising its tariffs against Canada higher than they had been at any time in our history; when our people were suffering as they had never suffered before, because of the loss of that market to our agriculturists and others, what did we find him doing? He was standing in this very place, and the right hon. gentleman dared to say to the Canadian people, "Do not provoke them; we must not raise our tariffs against them." Let there be no misunderstanding.

Mr. HANBURY: It did not take you long to provoke them.

Mr. BENNETT: That is not so, for there has been no increase in the tariffs of the United States against us since we came into power.

Mr. HANBURY: I would ask the right hon. gentleman if there was not an excise tax.

Mr. VENIOT: What about the increase in the duty on lumber?

Mr. BENNETT: There was no tariff increase on lumber, for there has been no touching of the tariffs by the congress of the United States since we came into office. Any hon. gentleman who takes the trouble to read the records knows that.

Mr. HANBURY: Just an excise.

Mr. BENNETT: There was not a tariff increase against lumber.

Mr. HANBURY: That is a play on words.

Mr. BENNETT: There is no play on words; the president of the United States has put himself clearly on record as stating that there was no interference with tariffs by congress after 1930.

Mr. RALSTON: Just a $3 tax.

Mr. BENNETT: There was an excise tax, of course, of which I am aware, but I would point out to this house that there was no tariff legislation; that is a fact.

Now let us go a step further. We opened up markets for lumber in the United Kingdom on a scale that had never been known before, and this gives me an opportunity to say what I want to say just here. By the introduction into the Ottawa agreements of a provision with respect to unfair competition we were able to secure for this country a favoured position. Now I come to the attitude of the right hon. gentleman opposite, who this afternoon said that the majorities secured by his recently elected supporters were obtained after the Ottawa agreements had been in force. Those agreements expire shortly, and we are told by those who are urging upon the British government the necessity for action that the lumber people say that the leader of the opposition in Canada says he is the man who should be in power, and that he has embarrassed and hurt this country in its dealings with the lumber industry. Not only has he embarrassed Canada but he has destroyed, to a very large extent, through the representations made by him and his friends, that which we were able to secure.

We will continue to fight that sort of thing, for I do believe that the Canadian people are coming more fully to realize just what has been meant by the opposition of hon. gentlemen opposite to the Ottawa agreements. In season and out of season they have exerted their force against them. They have said, as I shall show presently, that if they were in office they would repeal them, that they would destroy them. The fact is that they have endeavoured, and to a large extent succeeded in doing so, to build up in the old country the idea that the Canadian people are opposed to those agreements and that therefore they are no longer sought or desired. I ask hon. gentlemen opposite, do you wish these agreements or not?

Mr. HANBURY: We wish better ones.

Mr. BENNETT: Then why did you not get them during the nine years you were in power? I will not trouble this house by reading the records that I have, not only from this house but also from the hustings, as to what the right hon. gentleman and his followers have said they would do with these agreements if they came into power. I ask them now, are you prepared to rescind the Ottawa agreements? Are you prepared again to vote against those agreements? Well, you

will have the chance. Are you prepared to do so? We will see.

The right hon. gentleman was endeavouring to anticipate many things to-day. I am not going to anticipate any debate upon the matter, but I just ask each hon. gentleman here if he is prepared to vote against these agreements, because it is vital to Canada that we should know. If the operation of these agreements has done this country any good, then those abroad with whom we deal must know, because the negotiation of the lumber agreements was not included in the agreements themselves. They were arrangements made with the British government through the board of trade in pursuance of powers that were secured in the agreement against unfair competition with Russia. And the opportunity is necessary, nay it is imperative, that this house should say whether or not we in the representations we have been making speak for the Canadian people. Whether or not Canada desires these agreements, or whether with respect to lumber and matters of that kind we no longer require this provision and desire that it should be destroyed.

Let us go a step farther. With respect to the United States of America we found conditions that we could not alter for the simple and obvious reason that the president at that time, Mr. Hoover, was holding office, and his congress had enacted the legislation which had imposed this tariff against Canada.

An hon. MEMBER: A Tory government.

Mr. BENNETT: A Tory government?

An hon. MEMBER: Yes.

Mr. BENNETT: Then we will leave it at that; but it was a government that the leader of the Liberal party, the then Prime Minister, would not provoke. I shall not stop now with merely making the statement; I shall read from Hansard of April 9, 1929:

> In the condition of prosperity which Canada is to-day enjoying would it be desirable on the part of the administration to take any action with respect to the tariff in Canada at the present time which could be regarded as provocative by those across the line who may be interested in seeking to raise the tariff in that country?

That is the high-minded type of caring for the welfare of Canada which was manifested by the then government, and the Liberal party say the same thing to-day. I quote further:

> I say that were we to do what hon. gentlemen opposite by their amendment apparently wish us to do, namely raise the tariff, we would be creating in the minds of the American people the very sentiment which would cause them to raise their tariff higher perhaps than it was ever their intention to raise it. We do not intend to take any action of that provocative character.

Mr. MACKENZIE (Vancouver): Hear, hear.

Mr. BENNETT: I am glad the hon. gentleman cheers that sentiment, because it marks him as just what I know him to be, namely one whose concern is for the capitalist system and not for his country.

Mr. MACKENZIE KING: May I say to the Prime Minister, as this is a matter of record, that I did not cheer at all; I sat perfectly quiet.

Mr. BENNETT: I was referring to the hon. member for Vancouver Centre (Mr. Mackenzie). I am sorry the right hon. gentleman put on the cap, but I was referring to the other leader.

Now, let me go a step farther. Not content with that, they enacted countervailing duties and permitted Washington to control the tariff of this country. When the new president came into office he indicated at once his willingness to enter into discussions concerning a trade agreement with Canada. At his invitation we discussed the matter, but he did not secure from congress power to deal with it until June, 1934. Under the statute which he did secure, an act of congress, he is enabled to enter into an agreement, first giving notice of intention so to do, and then fixing the date within which it is possible not only to lodge written or printed briefs but also to permit verbal representations by citizens of the United States for or against certain action being taken. The government of the United States to-day gave notice of their intention so to do. That is the end of the negotiations which we have been carrying on all these months since June, 1934, when the statute was passed. They have now given us notice that they will proceed to negotiate a trade agreement with Canada. And further, they have fixed a date within which written briefs and oral representations may be made for and against the proposals. The proposals cover every kind and form of commodity, natural products as well as others. We will proceed to that discussion in the same manner as we proceeded in connection with the treaty with France and in the same manner as we proceeded to negotiate the empire agreements. To speak frankly, I believe that if the Canadian people have to choose between one who has stood up for his country in the face of great opposition and one who is fearful of provoking someone, they will choose the man who has stood up for them. I am willing to leave that issue to the Canadian people.

An hon. MEMBER: Make it soon.

Mr. BENNETT: We are now discussing a trade agreement with the United States. I repeat that if we are permitted to negotiate a trade agreement with the United States I have no intention, as the right hon. gentleman has suggested, of endeavouring to terminate the agreement, as was done in 1911—terminate it by an election at the moment. I have no such thought; I propose to go forward as we did with France and with other countries, and as we did in connection with the empire agreements, and negotiate on the basis of this country being able to take care of itself and not being afraid to negotiate with another country.

Let me go farther. I have it on the authority of United States officials that it was the tariff action Canada took in 1930 and under the Ottawa agreements of 1932 which induced the United States to want to lower their tariffs and deal with this country.

Mr. MACKENZIE KING: Would the Prime Minister give us the names of the officials? He should not make a general statement of that kind.

Mr. BENNETT: If the right hon. gentleman will read the statements made by the Secretary of State in London, the statements made in New York and in Washington, he will have no difficulty in understanding what I mean. The United States has no hesitancy in saying, under its present administration that with respect to its tariffs they are high, but it is impossible to reduce tariffs in the United States just by saying so. I am sorry to say the time in which the agreements may exist is limited to three years from the date of their being made, with power, of course, that they may be continued if notice is given. Congress has reluctantly enabled the president thus to deal with the matter. The president knew that if he had to appear before the committee of ways and means it would be quite impossible to effect the purpose; that is known by everyone who takes the trouble to understand the conditions. So congress has given him the power to deal with the matter as I have indicated. What is more, we propose to do what, after all, the right hon. gentleman suggested should be done in his day; he placed upon the statute books legislation enabling members of the government to make negotiations to become effective with the United States. We propose to carry on our negotiations as a responsible executive.

I repeat what I said previously—allow me to remind you of it again—that there is no bargain good enough for me which would involve the sacrifice of my country. I am not prepared to do that, whether it be with the mother country or with the United States of America. My duty, my obligation and what I conceive to be the duty of this government is to negotiate agreements fair to all parties, agreements which do not sacrifice Canadian interests to foreign or external interests, whatever they may be, and that impels us to insist that justice and fair play must be the basis of any agreement we make.

I have dealt with the matter of trade—

Mr. FRASER (Northumberland): Blasting your way.

Mr. BENNETT: Yes blasting our way into the markets of the world.

Mr. FRASER (Northumberland): "No truck or trade with the Yankees."

Mr. BENNETT: No; it was Sir Wilfrid Laurier who said, "No more pilgrimages to Washington." You might remember that. I am not to-night reviewing this matter, but I desire to remind hon. members that there may be some within the sound of my voice who heard him when he made that observation at Brandon—"No more pilgrimages to Washington."

Mr. FRASER (Northumberland): It was the Tory party that said, "No more truck or trade with the Yankees."

Mr. BENNETT: It well may have been that there are members of the Conservative party who made that observation, but the leader of the Liberal party made this statement, "No more pilgrimages to Washington." That is the position, and I shall not do more to-night than to leave it just there, with this additional observation.

The other day Mr. Lloyd George made a statement, and I wonder if hon. gentlemen will take the trouble to observe what he said about tariffs. He spoke of the use of tariffs exactly as I have spoken in this house of the use of tariffs, just as I spoke of them when I was dealing with them in Winnipeg, just as I have spoken of them when we were dealing with them in this house on previous occasions. I shall take the trouble to read what Mr. Lloyd George said in order that there may be no misapprehension as to what the views of that venerable statesman are as to the use of tariffs at such a time as this, because it is strange, in all this discussion that has gone on during the years and having regard to the attitude he took with respect to these matters in the days of Mr. Asquith, that now in his old age, offering to his people

a plan to take them further out of the slough of despond and give them greater opportunities for expansion, Mr. Lloyd George should see fit to refer to tariffs in the terms in which he did. I shall just read the extract as reported in the Ottawa Citizen of January 18, 1935, in these words:

Since Britain now had tariffs he would use them ruthlessly as a means of inducing removal of or at least reductions in trading difficulties with other countries, said Lloyd George.

There is the considered judgment of an elder statesman, a Liberal statesman. Why has he changed his viewpoint? Because he saw all about him throughout the world tariff barriers, and he was going to use this instrument for the purpose of effecting the prosperity of his people. Is there anyone within the sound of my voice to-night who does not know that had we not taken the action we did in 1930 we would not now be in a position to negotiate with our great neighbour? Everybody knows that that is so, and what is more, had we not done it, we could not have remained a solvent people. I shall elaborate that statement because, in view of the observations made this afternoon, I think it is desirable that I should do so.

On motion of Mr. Bennett the debate was adjourned.

On motion of Mr. Bennett the house adjourned at 10.50 p.m.

Tuesday, January 22, 1935

The house met at three o'clock.

PRICE SPREADS AND MASS BUYING

INQUIRY AS TO CONCLUSION OF COMMISSION HEARINGS AND PRESENTATION OF REPORT

On the orders of the day:

Right Hon. W. L. MACKENZIE KING (Leader of the Opposition): May I ask the Prime Minister if he is in a position to advise the house as to when the royal commission on price spreads and mass buying is likely to conclude its proceedings and how soon the house may expect to receive its report? I think the Prime Minister will agree that if there is legislation to be based upon the report the house should have it as soon as possible.

Right Hon. R. B. BENNETT (Prime Minister): Mr. Speaker, the government has no control over the price spreads commission nor has it sought in any way to limit or restrict its operations or to suggest to it the course of action it should pursue. I was last advised that the commission was endeavouring to close its business by the date of the opening of the house. That however was impossible. My last information was that they were now endeavouring with every expedition to prepare a report for submission not to this house but, as it will be recalled, to the Minister of Trade and Commerce (Mr. Hanson). By that minister the report will be laid upon the table of the house.

I quite agree with what the right hon. gentleman has said as to the desirability of having the report concluded as soon as possible in order that the government may take cognizance of its contents, and determine to what extent legislation may be introduced founded upon the recommendations that are made. But I believe for the same reasons the right hon. gentleman will realize it would not be proper for the government to indicate to the commission how or when it should determine its hearing, but that we should rather leave it to the discretion of the commission as to the manner in which it would discharge its duties.

Mr. MACKENZIE KING: I agree with the Prime Minister in his concluding remarks. He will observe however that all I wished to know was whether or not it would be possible for him to ascertain from the commission when it might be in a position to report so that we may be guided in our actions accordingly.

BANK OF CANADA

INQUIRY AS TO DATE OF COMMENCEMENT OF BANKING OPERATIONS

On the orders of the day:

Hon. IAN MACKENZIE (Vancouver Centre): Mr. Speaker, may I ask the Minister of Finance (Mr. Rhodes) when we may expect the Bank of Canada to commence functioning?

Hon. E. N. RHODES (Minister of Finance): I am not in a position to make an announcement definitely, but it is anticipated it will be somewhere in the neighbourhood of March 1.

CANADIAN NATIONAL RAILWAYS

REPRESENTATIONS OF EMPLOYEES RESPECTING EQUIPMENT CONSTRUCTION

On the orders of the day:

Mr. F. G. SANDERSON (South Perth): Mr. Speaker, I should like to ask a question of the Minister of Railways (Mr. Manion) based on a telegram I received this morning from the city of Stratford. It is as follows:

Lodge 103 International Association of Machinists at Stratford with over 400 members protests that contracts for new equipment for Canadian National railways be let to private

companies while railway shops have worked only sixteen days a month for the past three years.

W. Lyons,
Recording Secretary,
73 Dufferin street, Stratford.

My question to the minister to-day arises out of his answer yesterday to a similar question. I could not quite hear the minister's reply to my question yesterday and I did not know what his answer was until I read it in Hansard this morning. He says that the government has not come to any decision with regard to this equipment which is to be made either by private companies or in the railway shops, but that the matter has been considered. My question of the minister to-day is how long will it take the government to make a decision, and when they do make a decision, will the minister immediately inform the house and the country what it is?

Hon. R. J. MANION (Minister of Railways and Canals): Well, Mr. Speaker, I do not think there is any answer coming to the hon. gentleman. The government, if it makes a decision on this question, will submit it to the house at the proper time.

RADIO BROADCAST OF OPENING

On the orders of the day:

Mr. THOMAS REID (New Westminster): I should like to direct a question to the Minister of Marine (Mr. Duranleau). I should like to ask if the statement appearing in the Vancouver Province of January 17 is correct, that millions of listeners-in in Great Britain were deprived of hearing the broadcast of the opening of the Canadian parliament because the Canadian Radio Commission did not consider the broadcast momentous enough to send outside of this country.

Hon. ALFRED DURANLEAU (Minister of Marine): The article referred to has not come under my notice, but I shall be glad to take cognizance of it and give the answer I shall receive from the radio commission.

ELECTORAL LISTS

On the orders of the day:

Mr. C. G. POWER (Quebec South): I should like to direct a question to the hon. Secretary of State (Mr. Cahan) arising out of the statement he made on Friday last, appearing on page 5 of Hansard, to the effect that the electoral lists would be completed about April 15. In that connection may I point out that under the Dominion Franchise Act a very important work begins on April 1, namely, that of clearing the electoral lists of names of persons who are dead or who have moved, and so forth. The only time at which objections to names on the basic electoral list can be made is during the month of April, and I put it to the Secretary of State that if the lists are not received by hon. members and their organizations until after the fifteenth day of April, it will be extremely difficult to proceed with the important work of clearing the lists. My question to the Secretary of State is as to whether it would not be possible, at least in the congested urban constituencies, to supply the lists earlier so that this important work may begin at the time provided for by the statute, namely, on the first of April.

Hon. C. H. CAHAN (Secretary of State): As at present advised I do not think there will be any difficulty in supplying the urban lists and placing them at the disposition of the franchise commissioner at such time or times as are necessary for him and the revising officers appointed by him to carry out the terms of the act.

Mr. POWER: May I point out, as perhaps the Secretary of State has misunderstood me, that this is a non-controversial matter and that it affects all members from urban constituencies. The act by section 25 provides that notices to objections to names on the list shall be made during the month of April, not at the time of revision in the month of May, but during the month of April, in writing. Now if the lists have not been circulated and are not in the hands of members and their organizations during the month of April it will be extremely difficult for them to take means to register their objections. That is the point I wish to lay before the Secretary of State. I would ask him to make a further study of the Dominion Franchise Act in order to ascertain whether the point I bring before him is not well taken.

Mr. CAHAN: The point which the hon. gentleman makes may be considered well taken, but these lists are being printed from day to day and week to week, and I think there is no doubt that from time to time the urban lists will be placed in the hands of the franchise commissioner for distribution probably during the months of February and March.

GOVERNOR GENERAL'S SPEECH

CONTINUATION OF DEBATE ON ADDRESS IN REPLY

The house resumed from Monday, January 21, consideration of the motion of Mr. W. E. Rowe for an address to His Excellency the Governor General in reply to his speech at the opening of the session.

Right Hon. R. B. BENNETT (Prime Minister): Mr. Speaker, when the house rose last night I had been referring to some figures with respect to trade, and the position which Canada occupied, and the efforts that had been made to expand our trade during the great depression.

It is somewhat satisfactory to be able to point out this afternoon that Canada occupies fifth place among the nations of the world, although at one time she had fallen to sixth place. It is important that we should bear in mind that comparisons of incomparable things are very unfair and do not lead to any sound conclusion. From time to time I have observed throughout the country, and particularly by hon. gentlemen opposite, an endeavour to make it appear that the trade of Canada had suffered more than that of any other country, and they would compare the figures of 1928 and 1929 with the figures of 1932, 1933 and 1934. Such a comparison, of course, is not only unfair but I consider it to be more or less of an insult to the intelligence of the people to whom it is directed, for it is perfectly obvious that if you want to be fair you must compare the figures that existed amongst other countries of the world with the figures of Canada at the time to which reference was made and to-day.

The fact is that this country has more than maintained its position among the countries of the world as a trading country during the depression. Notwithstanding all that has been said by hon. gentlemen opposite with respect to restrictions and barriers against trade, this Dominion of Canada has continued to maintain its position amongst the nations of the world in a rather more forward position than other countries of the world. The truth is, according to the figures supplied by the Bureau of Statistics, that at the end of December, 1934, we took fifth position, exceeded only by the United States, Great Britain, France and Germany.

It is also true that during the depression at times we dropped to sixth place by reason of Japan or Belgium exceeding the volume of our trade. But it is, I repeat, a matter for satisfaction that we now occupy the position which we do. Our empire trade has expanded in a phenomenal manner under the operation of the Ottawa agreements. To take up the time of the house this afternoon in giving the percentages of increase, the extent and volume of our trade with our sister dominions and with the motherland would serve no useful purpose, and I shall not take up the time to do it as opportunity will be afforded later on.

I once more say, notwithstanding all the attacks made against the Ottawa agreements, notwithstanding the fact that the Liberal party as represented in this house stood in its place, with one exception, and voted against those agreements, notwithstanding that they have declared from time to time in this house and elsewhere that the agreements were worthless and useless and not satisfactory, and in one instance declared that they would repeal them if the opportunity came, the fact is that this country by these agreements has been saved from national bankruptcy. What is more, when I make that observation I make an observation which is supported by the statements of economists and others who realized that this country had one certain market during the depression, one market to which it could turn under all conditions, one market in which we had a preference over other countries of the world, a market to which we had free access as against the payment of duties by other countries. Had it not been for the markets thus afforded in Great Britain and in other parts of the overseas dominions we would not under the conditions that obtained have been able to survive. I think that is fair, yet in season and out of season hon. gentlemen opposite have seen fit to decry these agreements and to render it difficult indeed particularly with respect to one commodity, lumber, to maintain the position of Canada with respect to the English importer. We were told that the agreements and the arrangements with respect to preference did not represent the view of the Canadian people; that is what the traders were representing, and that the real view of the Canadian people was that put forth by hon. gentlemen opposite.

Well, sir, I trust that once more the opportunity will be afforded hon. members of this house to record their opinions as to whether or not the operation of these agreements has been in the public interest. I am curious to see whether, in the light of what has transpired, hon. gentlemen opposite will say these agreements have been favourable or unfavourable to the welfare of this country. That is for them to say, and I do not believe that the misrepresentations that have been made with respect to these agreements have been based on an appreciation of their real value. I believe that hon. gentlemen opposite, when they begin to realize that value, will take a forward course, renounce their past, deny their vote and support the agreements in their constituencies. That is what I believe will happen. In fact signs are not lacking that they are already thinking of doing so, if one is to

attach any importance to an observation made by the leader of the opposition a short time ago. In the midst, I think, of a speech on disarmament. I believe the right hon. gentleman desired to make it known to the people of Canada that they now would be disarmed from the opposition which he had previously taken against the agreements which have served this country so well.

So I say that on all counts, if ever a country should be proud of its achievements in a period of great depression—and you will observe I say a country—under the policies of a government that was not slow to realize the difficulties and dangers that threatened our whole commercial fabric, that country is Canada. Most Canadians, I think, feel that sense of pride and express it except when they are on the hustings or in this chamber. Then they think it their duty to decry Canada by decrying the government; they decry the government and so decry Canada, and preach blue ruin and ruin of all kinds to this dominion. I think no good purpose is served by that. It certainly is not the position that was taken by the opposition in my time. I do recall, and I say it with great frankness, that when this country went off the gold standard owing to the export of $40,000,000 of gold, it is a matter of record amongst my own supporters at that time that I asked caucus not to make any observations in the house lest they might embarrass the administration and the country. That is a fact that can be verified by reference to any hon. member who was then in this house. There are times when matters arise which are far more important than any question of party advantage. When I find this country being held up to the people of the world as a country whose trade has fallen off and been destroyed through the actions of the government; then when I turn to the figures supplied by the League of Nations and other independent statisticians and find that these ten and a half millions of people occupy fifth position among the trading nations of the world, I say to hon. gentlemen opposite that they should be ashamed of themselves for putting forth observations of that sort.

That reminds me further that yesterday the right hon. gentleman twice referred to the fact that there are a million unemployed in this country, whereas there were only a hundred thousand unemployed in 1930. The figures given in 1930 were the best that could be supplied at that time, and it was indicated by the department supplying them that they were very uncertain. However, it is clear that the million referred to were those receiving relief, men, women and children, not the unemployed. On the contrary the figures show that the number of employed in this country, as indicated by the reports from industrial and other sources, has steadily increased instead of decreasing during the last few months. There is no evidence to support any such figure as one million, for as I have said that includes men, women and children receiving some form of relief in this country, from any source. It is well known that 160,000 people or thereabouts are receiving relief in the drought areas of Saskatchewan. They should not be regarded as unemployed in the real sense of the word. That condition was not brought about by the government, though I understand that an effort has been made to induce the people of those areas to believe that the government was responsible for the drought.

I recite that fact merely that 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.

Mr. BENNETT: It is less than half a million in any event, but the department states that it is exceedingly difficult to make any statement that would be exactly correct, because we have no method by which we can make such a computation. Mr. Cudmore of the statistical department has made a report in which he has indicated his view as to the number of unemployed, from the information in the hands of that department. He says:

> In view of the uncertainty mentioned above an effort was made at the census of 1931 to collect complete information on the matter, as for the date of the census by securing from every wage earner in the country a statement whether he was or was not working on June 1, 1931, together with the reason for not being at work. On that date approximately 395,000 of the 2,570,000 wage earners of Canada had no job while 43,000 more were temporarily laid off. This figure of 395,000 gives us a basis for subsequent estimates as to the number of unemployed, though certain observers claim that the 43,000 temporary lay-offs should also be considered as unemployed. On the basis of the combined figure of 438,000 on June 1, 1931, it was estimated in a paper prepared by Professor Jackson and others of the University of Toronto that 726,000 were unemployed in

March of 1932. This bureau, however, has always questioned the propriety of the addition of persons temporarily laid off to those with no job, but it was certainly the case that from 600,000 to 650,000 must have been out of employment in March, 1932, and probably 750,000 at the same date of 1933 when employment was about at its low point and when the total number of employees on the staffs of the firms making monthly reports to this bureau fell to about its lowest level at 698,000 on April 1, 1933.

Since April 1, 1933, the number of employees of reporting firms has been steadily increasing, with slight seasonal exceptions. Between April 1 and December 1 of 1933, 147,000 persons were added to the employees of the firms making monthly reports to the bureau, while between December 1 of 1933 and December 1 of 1934 an additional 75,000 were added, being a total addition of 222,000 to the staffs of reporting firms, some of which was due to the inclusion of additional firms in the records and some to the increase of employees in the unemployment camps maintained by the Department of National Defence and by certain provincial authorities. After making allowance for these two elements in the situation, it would appear that the number of unemployed wage earners in the country as a whole has been reduced from 750,000 at the worst point of the depression to something like 400,000 at the present time.

That is the position with respect to that.

Mr. RALSTON: Would the Prime Minister state whether or not the numbers of unemployed include those employed on relief works for which money was voted by this parliament?

Mr. BENNETT: If the hon. gentleman had followed me and had not been listening to the suggestion of his leader that he should ask this question, I read these words—

Mr. RALSTON: Is the question still good?

Mr. BENNETT: Yes, and I am reading the answer, as I gave it before the question was asked:

After making allowance for these two elements in the situation—

That is, those who were working in the camps, the number of which is not given, and those covered by the additional firms reporting.

After making allowance for these two elements in the situation, it would appear that the number of unemployed wage earners in the country as a whole has been reduced from 750,000 at the worst point of the depression to something like 400,000 at the present time.

I submit that this is something of which the Canadian people should be proud. Why should anyone, in politics or elsewhere, desire to show to the world that the number of unemployed in this country was 600,000 greater than it actually is? That is the question which I ask. The information could have been obtained at any time on application to the same source from which I obtained it, the statistical department; it was open to anyone who desired to receive it. Allowance was made in consequence of the suggestion made last year by the leader of the opposition (Mr. Mackenzie King) in respect of single homeless men in camps maintained by the National Defence department as well as by the provincial departments, and those are the conclusions of the statistical department of Canada. I know of no reason to cast reflections on the accuracy of its figures; they have stood up against any statements made to the contrary anywhere or by anyone. I should think therefore that those who are seeking power in this country would desire at least to leave with the outside world, where the credit of Canada is important, an impression in accordance with the facts. It is not desirable to paint your country's reputation any darker than it is. Why blacken the reputation of this dominion amongst the nations of the world? I say that members of parliament, whether supporting the government or in opposition, should rejoice in the fact that the number of unemployed has been reduced from 750,000 at its highest to 400,000 as it stands now. That I think is a fair statement. It is necessary to say that the figure given yesterday does include men, women and children, and includes those in camps and elsewhere. To be exact, the figure is slightly less than 1,000,000, but it was at its highest point 1,500,000—that is to say, the number of those on relief, those receiving as low as one meal up to complete relief, or relief in some form. The number has fallen to something less than 1,000,000.

That is all I propose to say with respect to that matter, because while I regard it as important I feel bound to make the statement at this time in order to prevent that erroneous impression going abroad to the world to blacken our record. It was only a short time ago that an American paper made a review of conditions in this country and took that figure as the one that represented the unemployment in Canada. Is there any good purpose on the part of hon. gentlemen opposite in making statements of that kind when by a little effort they could satisfy themselves that such statements are incorrect? Why rejoice because you believe that there are more men unemployed than in fact there are?

That has been the course followed by the opposition since the depression began. Does it serve any purpose? When I suggested that the policy of the Liberal party was activity against every measure proposed by this gov-

ernment and against any improvement made in this country, when I made that statement in the broadcast, I was simply stating a simple fact. What is more, there is not an hon. member who heard the right hon. gentleman's address yesterday who does not realize how sound was that statement which I made. I repeat, why blacken Canadian history? Why disparage the position of this country amongst the peoples of the world? Why endeavour to make it appear that this country is suffering to a greater extent than it is, when people outside Canada, who are viewing the situation here dispassionately, observing our progress, and seeing what we are doing, point to Canada and say, "That country occupies the brightest position of any nation in the world to-day."

Here are hon. gentlemen wailing, wailing, wailing while foreigners who look on disinterestedly and see our progress are glad to think that this country in the northern half of the American continent has made the progress it has. It is time that hon. gentlemen opposite realized the fact that the people of Canada fully appreciate this progress and are thankful for it. Why therefore should hon. gentlemen wish, in their reckless opposition to the government, regardless of what happens to the reputation of this country, to blacken Canada's position in order to maintain their thesis that this government is all bad and entitled to no credit for any good. That is their position.

Further, when attention has been directed to these matters in times past they have not desisted but have rested their case on an effort to vilify and libel and slander and attack, by every means in their power, the leader of the government. That is what they have done. In constituency after constituency they have gone out and endeavoured to do—what?

Mr. HANBURY: Win elections.

Mr. BENNETT: Exactly. And then the right hon. gentleman talks about chivalry, as he did yesterday. Let him read the speeches made by his principal supporters; let him read the statements that have been made on the public platform, and then let him talk about chivalry. Chivalry! Why, it is a word unknown in his vocabulary except to mouth in this house for the purpose of advancing his own political fortunes—a word misunderstood and unknown. Yesterday afternoon the right hon. gentleman spoke of our having shown disrespect to the crown in introducing these measures in the way in which we did. Well, I will say this, Mr. Speaker. If the right hon. gentleman desires to deliver any lecture on that point, I suggest that he go to Queens park, Toronto, and address his remarks to his right lieutenant. And if he has any qualms of conscience about doing that, let him cast his memory back over the past and think of the general election of 1926 in which his supporters went to and fro throughout the country, trying to make the people believe that Downing street was interfering with the domestic affairs of the Dominion of Canada, when he himself, on the 28th day of June, had written a letter to the then Governor General, Lord Byng, asking him to refer a matter to Downing street, which His Excellency refused to do. The right hon. gentleman talks about disrespect and discourtesy to the crown. Let there be no talk of discourtesy to the crown, nor any talk about chivalry when it comes to a matter of that kind.

Mr. MACKENZIE KING: Will the Prime Minister read the letter he has referred to?

Mr. BENNETT: He will read this part of it.

Mr. MACKENZIE KING: Read the whole of it.

Mr. BENNETT: No, he does not intend to read the whole of it; he will just read such part as that to which he referred:

> If there is anything which, having regard to my responsibilities as Prime Minister, I can even yet do to avert such a deplorable and possibly farreaching crisis, I shall be glad so to do, and shall be pleased to have my resignation withheld at Your Excellency's request pending the time it may be necessary for Your Excellency to communicate with the Secretary of State for the Dominions.

The right hon. gentleman, by a single word, could have stopped that agitation against the representative of the crown; he could have read that letter. But he fed on it, he lived on it, he appealed on it to the passions and the prejudices of the Canadian people.

Mr. MACKENZIE KING: On a question of privilege. When the Prime Minister says I made use of any letter which at any time I wrote to the Governor General—

Mr. BENNETT: That is what I said.

Mr. MACKENZIE KING: —I say that I made no reference at any time during the campaign referred to, to any communication, nor did any member of the party other than members of the ministry have any knowledge of any communication, that passed between the Governor General and myself, and I still ask the Prime Minister to read the entire letter, from which he has quoted only an excerpt. I regarded the correspondence at the time as confidential.

Mr. BENNETT: There is no question of privilege in what the right hon. gentleman says. I repeat, he could have stopped that agitation by one single wave of his hand; by reading the letter he could have done so. But he kept it secret. From time to time, throughout the country, the papers were filled with columns of attacks against the Governor General, and the suggestion was made—he was looking at hon. gentlemen opposite—that Cromwell was endeavouring to do so and so. You will find all this in the newspapers of 1926. By a single lifting of the hand, however, the right hon. gentleman could have stopped the agitation. But he said, "I wrote a letter to Lord Byng and asked him to do this; was it done"? But did he read the letter then?

Mr. MACKENZIE KING: I never made such a statement.

Mr. BENNETT: Where was the chivalry then? Where was the discourtesy to the crown? I am compelled to make these observations because an endeavour has been made by hon. gentlemen opposite to make it appear that the government of the day has been derelict in its duty. I submitted to his Excellency, as I believed I should do, the fact that I proposed to make the broadcast addresses I did before the meeting of parliament; I conceived that to be my duty and I did so. The fact that speeches that have been made by public men and the causes and policies they have advocated have been included in speeches from the throne will be found alike in the lives of Gladstone and Chamberlain. Every hon. gentleman knows or should know that that is so. It has never been the practice of prime ministers to refuse to indicate what they have in mind with respect to large policies merely because they have not had an opportunity to put them in a speech from the throne before discussing them.

Mr. MACKENZIE KING: Before the Prime Minister leaves that part of his remarks, as he has referred to Mr. Gladstone and Mr. Chamberlain, would he tell us where Mr. Gladstone or Mr. Chamberlain ever informed the public in advance of the speech from the throne as to what was to appear in the speech from the throne when it came down.

Mr. BENNETT: I repeat, when Mr. Gladstone, for instance, went down to Greenwich to make the famous speech he did, he dealt with matters that were subsequently placed before parliament for its consideration.

[Mr. Mackenzie King.]

Mr. MACKENZIE KING: Where did he say what mention of these matters would appear in the speech from the throne?

Mr. BENNETT: I do not know what the right hon. gentleman means except that Mr. Gladstone put it in the speech from the throne. That is the answer. He did not put it in his little book but he put it in the speech from the throne.

Mr. MACKENZIE KING: The Prime Minister had not written any book to put anything in.

Mr. BENNETT: The only difference between my right hon. friend and me is that he put these things in a little book; I put them on the statute books.

May I proceed to point out in addition that it was observed yesterday that there had not been any consultation with the party such as was necessary for the purpose of enabling the legislation to be brought down that is contemplated by the speech from the throne. The solicitude of the right hon. gentleman for the party which I have the honour to lead was very great. It was almost as great as his solicitude for the British preference in 1919 and 1923, but I should remind him that the very purpose of the broadcast messages was that the people of this country should be informed of what was proposed so that they might communicate with their members before they came here and the members would then be able to make known their views. That is something which I know hon. gentlemen opposite would not understand, but it was to afford that wide opportunity to the people to know exactly what was proposed so that their members when they came here would come informed and with an opportunity to express their views. I am delighted and honoured to say that the Conservative party, true to its great traditions and its mission, is prepared to carry forward the reform measures which are indicated in the speech from the throne.

It is true that they expect to meet opposition as usual. The right hon. gentleman yesterday pledged the support of his party, but he surrounded it with conditions as usual and limitations as usual, in such a way as would interfere with the government of the day in the transaction of its business. He suggested that we should join with him for reform. When did an opposition ever reform anything? Why should we join that opposition to bring about any reform?

Mr. MACKENZIE KING: Because the Prime Minister is masquerading as a Liberal.

Mr. BENNETT: Now the cat is out of the bag. I put these things in a book, he says. Masquerading as a Liberal! If that be so, there should have been no objection on the part of the right hon. gentleman to placing these reforms upon the statute book when he had the opportunity. Why did he not do so?

Mr. DONNELLY: There was no need for them.

Mr. BENNETT: There was no need for them! Go and ask the thousands of people who have been bankrupted by the speculation that took place during the regime of the late government.

Mr. DONNELLY: Who is speculating in wheat to-day?

An hon. MEMBER: "My government."

Mr. BENNETT: Then the right hon. gentleman raised an objection to the use of the word "my." How short his memory is! I suppose it is because he has no government that he now forgets. It is true it is not usual to refer to "my opposition," and I judge if he did so, it would not meet with universal approval. There are not lacking signs of that too, if one can pay attention to the remarks made and the gossip one hears from time to time, carefully guarded though it may be. I merely remark that the use of the word "my" has been common for at least two hundred years. Anyone who will take the trouble to look at the lives of any of the eminent British statesmen will find that that word is used in Hansard. So far as my investigations go, it has been used frequently in this country by all prime ministers and I presume it will be used again by whoever is fortunate enough to become a leader of the government from the opposition side although I see no sign of anyone there yet. Be that as it may, I merely mention the fact that the reference made in the speech from the throne by the representative of the crown to "my ministers" is certainly the only form that is ever used, either "my government" or "my ministers." Usually the two forms are used in the same speech from the throne, either "my ministers" or "my government," and they are used alternately.

Mr. MACKENZIE KING: That is correct. I never took any exception to His Excellency the Governor General using the expression either "my government" or "my ministers."

Mr. BENNETT: May I say to the right hon. gentleman that yesterday he did raise that objection.

Mr. MACKENZIE KING: No, he did not.

Mr. BENNETT: Then he objected that I had used the expression with respect to the government and I had spoken of it as "my" government. Later on I think I shall give him the number of times he used that term in at least one speech of his. Incidentally he also suggested that the time had come when the government should terminate its life by resigning or precipitating a general election. Let us review the situation so far as this government's support is concerned. If we take the general election in 1930, as compared with to-day it has exactly the same support from British Columbia as it had on that occasion; there is no change. In Alberta it has increased its support by one. In Saskatchewan its support has not changed although the Liberal party have added one to their number by defeating a Progressive. In Manitoba there has been no change. In Ontario the Liberals succeeded in the old seat of North York, which is normally Liberal and which was held by the late Mr. Lennox for purely personal reasons, as everyone knew, and they also succeeded in Frontenac-Addington. There were two Liberal gains. The Labour candidate carried the Hamilton vacancy, which was a further loss to the government. In Quebec we gained one seat since the general election —Three Rivers. Therefore up to that point there were three losses and we had gained two, or a net loss of one seat as compared with the standing at the general election. Then we went down to New Brunswick and lost a seat there under circumstances that are well known to every man who knows the history of that province. In Nova Scotia there was no change, in Prince Edward Island no change, and the net result over four years has been that the government has lost two seats. That is the position.

Mr. MACKENZIE KING: May I ask the Prime Minister if with four vacancies existing he has the same number of supporters to-day as he had when he took over the government?

Mr. GOTT: Another interruption!

Mr. BENNETT: I will deal also with that, but first I desire to point out to this house and country that the net position of the government is that after four years of the greatest depression the world has known the government has lost two seats out of 245 in the House of Commons.

With respect to the vacancies I think there is a general, almost a universal rule that to precipitate a by-election, with the expense incident thereto, when a general election is not far distant has not been the course usually followed.

Mr. MACKENZIE KING: Not at all.

Mr. BENNETT: Yesterday the right hon. gentleman himself said it would not be expected that a by-election would be held in the case of the recent vacancy in the constituency which was represented by the late Mr. Nicholson.

Mr. MACKENZIE KING: I did not say anything of the kind. I said it would not be expected that by this time that particular by-election would be over. I would have expected the writs would have been issued immediately.

Mr. BENNETT: I suggest to the right hon. gentleman that he will have opportunity to make speeches in due course.

Mr. MACKENZIE KING: But the Prime Minister must not misrepresent what I say.

Mr. BENNETT: I did not misrepresent. I desire to point out that it is the course that has usually been followed.

Mr. MACKENZIE KING: It is not.

Mr. BENNETT: I go further, and state with very great frankness that there is no evidence that this country wants a general election.

Some hon. MEMBERS: Oh, oh.

Mr. BENNETT: Not only is that true, but the fact is that the business people of this country are wholly opposed to a general election at this time, as is well known—

Some hon. MEMBERS: Oh, oh.

Mr. BENNETT: —not only by hon. gentlemen on this side of the house but by hon. gentlemen opposite. But in addition I say there will be a general election in due course. It will come, just as all other general elections have come, in an orderly and proper manner. But when the charge was made yesterday that there had been a deliberate attempt on the part of the government so to arrange the Dominion Franchise Act passed last session as to secure some benefit from it, I say to the right hon. gentleman and those who supported him that they must have overlooked the provisions of the statute to which they took no objection when passed by this house; not only that but provisions to which they subscribed.

Parliament was prorogued on July 3, 1934, and the Dominion Franchise Act was among the bills assented to on that day. The Dominion Franchise Act was proclaimed in the Canada Gazette of July 6, 1934, and came into force on that day. Section 14 provided that not later than six months after the act came into force the dominion franchise commissioner should publish in the Canada Gazette a proclamation calling for a general registration of electors to commence and end on respective days to be set in the proclamation. Therefore the position was that the right hon. gentleman was a party to the enactment of a section that gave to the franchise commissioner six months from July 6 to commence registration. That was arrived at by common consent. The hon. gentlemen within sound of my voice were parties to it. Then why come to this house and endeavour to make political capital of that to which the right hon. gentleman and his followers were parties?

Mr. MACKENZIE KING: I say to the Prime Minister that the attitude of the opposition was based upon the assurance given by the minister of the crown who presented the measure.

Mr. BENNETT: And I assume that with his high intelligence the right hon. gentleman understood the English language. Six months from July 6 was the time given to the franchise commissioner within which to commence to make his lists.

Mr. MACKENZIE KING: We were assured that he would commence immediately after prorogation.

Mr. BENNETT: Then the franchise commissioner, Colonel Thompson, having under the terms of the act published this proclamation, proceeded with his work. The names of the returning officers for electoral districts were published in the Canada Gazette extra of August 25, 1934. These returning officers proceeded as required by section 13 to divide their electoral districts into polling divisions. No complaints of any delay in their work have reached any member of the government or the office of the Secretary of State. Two weeks after the returning officers were appointed, that is in the Canada Gazette of September 8, 1934, the dominion franchise commissioner published the names of those appointed by him as registrars of electors. In the meantime the dominion franchise commissioner with the assistance of the chief electoral officer was engaged in preparing all the forms under the act and instructions in English and French for the use of registrars of electors and of the enumerators appointed by them. Listen to the work he had to do. All these forms and instructions had to be printed at the printing bureau for distribution, and required approximately seventy-five tons of paper. The registrars also procured at local printing offices the printing of the public notices in form 4, and

over this printing the government had no direction or control. On September 22 the dominion franchise officer published in the Canada Gazette a proclamation pursuant to section 14 that the registration of electors would commence on October 15 and end on November 17, 1934. It will be observed that from the date he made his proclamation, which was two weeks after the returning officers had been appointed, the matter was entirely in his hands and the government had no responsibility whatever. None whatever. On November 20 the dominion franchise commissioner commenced to deliver lists of electors to the king's printer for printing, and on the same day the king's printer began the printing. On November 3, the dominion franchise officer published a notice in the Canada Gazette that all appeals from decisions of the registrars of electors should be adjudged by December 22, 1934.

There is the story, told from the records, showing that the government itself not only had no responsibility, but no opportunity to control the matter, for the publication of the names of returning officers was not made until two weeks after they were appointed.

Mr. MACKENZIE KING: I do not wish to interrupt the Prime Minister if he prefers that I should not—

Mr. BENNETT: Go ahead.

Mr. MACKENZIE KING: When he says the opposition was a consenting party, may I ask whether this opposition did not very strongly oppose the striking out of the section in the old election act which required that the returning officers who had been appointed during good behaviour should be continued?

Mr. BENNETT: That is another statute altogether, another provision.

Mr. MACKENZIE KING: But it had an immediate effect on the question as to the time at which the franchise officer would be in a position to begin his duties.

Mr. BENNETT: That does not in any sense militate against the soundness of the position which I submit to this house, which cannot be challenged, namely, that the law granted six months within which the dominion franchise officer was to commence his duties, and he only took two months, he proceeded promptly with his work, and immediately after he issued his proclamation, which was two weeks after the returning officers were named. It was no light job, he had to print something like two million documents, involving the use of some seventy-five tons of paper. I mention that because it is not desirable that it should be thought that the government of the day were seeking any advantage with respect to these matters; they were not. It is well known that in the appointment of franchise officers the chief franchise commissioner gave forty per cent to each of the two older parties and twenty per cent to the other groups, as a result of which, although the government of the day had the majority of members in the house, instead of taking the recommendation of each of the members, forty per cent of the recommendations made by members on this side were accepted, forty per cent by members on the other side, and twenty per cent from parties who sit opposite to my right, so it may be that part of the delay arose because of difficulty in connection with that, to which possibly reference may later be made. But that is the fact. It is not desirable I think that the impression should be left in the public mind that any effort was made by the government to interfere with the preparation of these lists, or that they had any object in mind in dealing with this question other than that a fair list should be prepared. And when it is remembered that six million names are on these lists one gets some conception of the magnitude of the task imposed on the chief franchise officer as well as those responsible in the several constituencies.

I confess to having been surprised when I found that there were 6,000,000 names or thereabouts on the lists, a greater number than I had believed possible with a population such as ours. The fact is that with so many names on the lists the work involved has been very much greater than was thought, I believe, by any of us. I do say to the right hon. leader of the opposition that I think a little fairer attitude than that which he has indicated is desirable for this reason: I suggested that I thought a basic electoral list should be prepared. The right hon. gentleman opposite expressed himself as being wholly in accord with that view. The Minister of Justice (Mr. Guthrie) who had charge of the bill met with representatives of the party opposite and it was concluded that a basic list was desirable. Everybody seemed to think it was desirable, and in the effort to secure it there was not the slightest indication of any intention to bring about any favouring or to grant any concessions, benefits or privileges to the government of the day. Rather it was the intention that we should have a basic list upon which elections could be honestly conducted in

Canada without scandal, as has happened in some cases. That was our object and I do deprecate more than I can say that the right hon. gentleman should endeavour to leave the thought in the minds of the people of this country that the government desired in thought, word or deed to do anything which would in any sense impugn the validity of these lists, or would endeavour to secure any benefit through their creation and in their revision. That I think would be action which would not be calculated to advance democracy. It was for the purpose of enabling democracy to speak with a somewhat more certain voice than it had done that a basic list was suggested and agreed upon. If in the preparation of that bill six months was given to the chief franchise officer to commence to do his work it was done because it was realized he had before him a heavy task and one which he could not rapidly perform. If he took only two months to do it he would do it in a shorter time than parliament thought might be necessary. I do not know of anything in any way shape or form connected with the preparation of the lists as they stand which will leave them open to any charge levelled against those who have prepared them or any charge of dishonesty in so doing.

Mr. MACKENZIE KING: I never have questioned the accuracy of the lists or the efficiency of any work the franchise commissioner has performed. It is the government's action I have questioned.

Mr. BENNETT: Naturally. Anything the government proposed would naturally be opposed.

Mr. MACKENZIE KING: The right hon. gentleman has just said I agreed with him in this measure.

Mr. BENNETT: Now the right hon. gentleman desires to indicate his complaint against the government in connection with something to which he was a consenting party. That is all that can be said about it. I must say that is not a new position for the right hon. gentleman to take. It is nothing new, and never will be, because the difficulty is to find any position which he takes at any time which he will take at another time in connection with any question of any kind which may come up.

Yesterday further reference was made to the question of the platforms of the contending parties, and promises made by the Conservative party in 1930. When it met in convention in 1927 at Winnipeg it laid down a certain platform; certain policies were set out and I endeavoured to the best of my ability to bring them to the attention of the Canadian people. I did so. And I say this: If you will look at those policies as declared at Winnipeg and then look at the statute books of this country together with what appears in the speech from the throne concerning this session's program you will find that since confederation there has not been any government which has carried out in such detail its ante election promises to a greater extent than has the present government.

I hold in my hand the platform of the Liberal party of 1919 in national convention assembled. That is the convention which brought into being the right hon. gentleman as leader of that party. I ask any hon. member of the house to take the trouble to read the platform of the Liberal party of that day, the party which brought him into being, and then ask himself if after having been in office for nearly ten years any political party has failed to the same extent as has the Liberal party to implement the promises made in a political document.

Yesterday the right hon. gentleman read his trade policy. Yesterday he read his policy with respect to the British preference. But what did he say? He used the word "substantial"—that is not what he said in the House of Commons only a few short months before. He said if they came into power they proposed to bring into being the Dunning budget and a British preference of 50 per cent of the general tariff. I repeat the expression: 50 per cent of the general tariff. I read in this document of 1919, mark you—not 1935—the following words:

> Resolution on the tariff: That the British preference be increased to 50 per cent of the general tariff, and the Liberal party hereby pledges itself to implement by legislation the provisions of this resolution when returned to power.

You will find that those are the words under which they sought power. In 1923 when they went to England to attend the economic conference the English, the British people, expected that the then government, pledged as it was to bring into being a 50 per cent preference, if they had the power, would proceed to do so. Did they have a chance to do it? Did they have an opportunity to do so? Have they done it? Did they do it? Did hon. members observe that yesterday the right hon. gentleman did not refer to "50 per cent," but referred to "substantial." When did he change from "50 per cent" to "substantial"? During the debate which took place on the Ottawa agreements, to which I shall presently refer, time after time he re-

ferred to bringing into effect a 50 per cent British preference. He promised that as his platform. One of his new members stood in his place and read the platform of the Liberal party. I shall read something of the extracts from parliamentary debates. I will ask him what he means. There was his promise in 1919; there was his pledge in 1919; there was his majority to carry out his pledge from 1921 to 1930. Did he do it? Did he attempt to do it? Did he endeavour to do it? Did he suggest that it should be done in any way, shape or form? Why, why, why to-day does he espouse the cause of capitalism? Why to-day is he so anxious about his friends the capitalists? Why to-day is he so concerned about what will happen if the reforms we have suggested should come into being? Why? Because he knows if he puts into force a provision of that kind, namely a 50 per cent preference on the general tariff, the effect would be to close up 60 per cent of the industries in Canada. His friends the capitalists have warned him what will happen. The big interests have told him what will happen. And so yesterday he appeared in this chamber reading from the Montreal Gazette his certificate of character. St. James street forever,—the Gazette, the Free Press and the Financial Post; by these we swim! In hoc signo vinces! Is it not time that we had secured an understanding of what he means? What does he mean?—"50 per cent" or "substantial"? What does his pledge to the electors of Canada mean? What does it mean? What is meant by it? The right hon. gentleman attaches a great deal of importance to trade, and rightly so. In 1921, 1925, 1926 and 1930 he condemned platform after platform of the Conservative party; he condemned our Canada first policy. Why did the right hon. gentleman forget his promise of a 50 per cent preference? He and his colleagues went to England in 1923 to attend an economic conference; while there he proposed a preference, but it was not a 50 per cent preference.

Mr. MACKENZIE KING: He did not do anything of the kind.

Mr. BENNETT: Well, he put it this way: He said, " Far be it from me to suggest to you what you should do, but I will tell you what we will do"—and so he put it in the little book. There you have it. That is as far as he got. There is the story.

Now, sir, let us go a step further. It has been contended in this house by hon. gentlemen opposite that the government of the day have erected barriers against trade. The League of Nations in its pamphlet recently issued pointed out that the whole trend of affairs during the last ten years has been towards tariffs. Why? Because it was the only way by which countries could prevent the destruction of their industrial fabric and their national life when other countries were producing goods which they were willing to dump upon the countries of the world that did not protect themselves. I wonder what my right hon. friend meant when he said that we took steps to prevent dumping in this country. Does he favour dumping? Does the Liberal party favour it? I want to know. Does the hon. member for Weyburn (Mr. Young)—oh, I see he is not here. Do hon. gentlemen opposite believe in dumping? Now is the time to answer. Do not be silent in both languages. Rather speak in both, yes or no. Do they believe in dumping or not?

Mr. DUPUIS: We want to dump the government.

Mr. BENNETT: That is what I thought. We are getting a lot of truth out of them this afternoon. That is something. That is all he cares about. He is not interested in anything else.

Mr. DUPUIS: It is high time to do it.

Mr. BENNETT: The hon. gentleman from Laprairie-Napierville (Mr. Dupuis) says: We want to dump the government. But do they believe in the dumping of goods on the markets of Canada? That is the question, and now is the time to get up and answer it. If they do not believe in it, and we must take it for granted that they do not, then what follows? The only methods by which dumping can be prevented in this country were the methods pursued by this government. What have you to say about that? That is what we put to the opposition. We took steps to prevent dumping by the methods that were indicated by the Minister of Finance, by tariffs, by fixing values, and by protecting our people from the depreciated currencies of other countries. Do you believe in protecting this country from the depreciated currencies of other countries or not?

Mr. ELLIOTT: Answer.

Mr. BENNETT: Do you believe in depreciated currencies being the basis upon which Canadians have to compete? Did my hon. friend from Shelburne-Yarmouth (Mr. Ralston) say something?

Mr. RALSTON: I say, make your own speech.

Mr. BENNETT: I am doing that, but I am seeking an answer to pertinent questions raised by the right hon. gentleman. These questions were raised in this house yesterday, and now I ask an answer. I ask you whether or not you believe in this protection that has been afforded to Canadians, or do you believe in affording to those who manufacture so cheaply that our people cannot compete with them, facilities that they would not otherwise enjoy?

Mr. REID: What about the cheap wages in this country?

Mr. BENNETT: I put this to the hon. gentleman. Only last week we had to deal with a problem of great magnitude, great in one sense but not in another. Rubber and cotton and other things go into the production of tennis shoes. They are made in very large quantities in Czechoslovakia. There you have one of the greatest, if not the greatest, shoe-producing industries in the world, the original proprietor of which was killed, as hon. gentlemen may recall, in an airplane accident. They have a branch now in England. Bear in mind this fact, that rubber is not indigenous to Czechoslovakia, cotton is not indigenous to Czechoslovakia. Therefore they were producing tennis shoes in Czechoslovakia under substantially the same conditions as to importing the raw materials to produce them as Canada, and they were putting them into this market at a few cents a pair, relatively—the exact figures I do not carry in mind. Were we to allow that to continue and destroy Canadian industry? Does the hon. member for Sherbrooke (Mr. Howard) believe that that should be done? Do hon. gentlemen opposite believe that this foreign manufacturer should be permitted to strike Canadian industry under such conditions, or do they believe that we should take adequate steps to protect Canadian labour from that form of competition. They have to buy their raw products; we have to buy ours, and let me say that there has not been a day when the Canadian rubber industry has taken advantage of the full extent of the tariff. Everyone knows that.

Now shall that shoe industry in this country be destroyed or not? This government gave long and careful consideration to the matter.

Mr. DUFF: What about the consumer?

Mr. BENNETT: The consumer? Well, there would not be any consumers if you destroyed every possibility of production. That is the answer.

[Mr. Ralston.]

Mr. DUFF: And there would be no producers if there were no consumers. You have the horse by the wrong end.

Mr. BENNETT: They condemn provisions against dumping, against depreciated currencies and against these other things. But I say, Mr. Speaker, that we have taken the only course provided by our institutions to protect Canadians. And yet I hear these means reviled in this house, spoken of as barriers to trade. Yet the League of Nations says that barriers to trade naturally have increased during the last few years. Can the Canadian people of ten and a half millions be sacrificed as an example to all the nations of the world? That is the problem.

I have indicated this so frequently that it is not desirable for me to do so again beyond making this simple statement, that I have never believed in high tariffs.

Some hon. MEMBERS: Oh.

Mr. BENNETT: I have never believed in high tariffs except when we use them as an emergency measure to prevent this country from becoming insolvent, and we did use them that way. We have recorded our belief with respect to tariffs. We have recorded it time and time again. I could not in the broadcast addresses discuss the question of tariffs. Why? Because we were then carrying on our negotiations with our great neighbour to the south, and there is not an hon. member here who does not realize that we could not discuss these matters at such a time without injuring our case. There are many, of course, who would like to see our case injured, and judging from the speeches made in this house I would say that a good many of them will be found on the other side of the chamber.

Mr. DUFF: Why didn't you put to a vote the resolution that I moved last session? You were frightened to put it to a vote.

Mr. BENNETT: Mr. Speaker, I think possibly the hon. gentleman might keep order. I have concluded what I desire to say with respect to that matter. I shall only add this, that it has never been the custom in this or any other country to discuss publicly a question that may have a prejudicial effect upon the negotiations the country is carrying on. Usually all parties are agreed upon that, and the very nature of the matter was such that I have refrained from any specific discussion of these matters for months, during which time we have been carrying on these negotiations.

Now may I refer to two other matters that I regard as of some importance because they

are mentioned in the speech from the throne? One is the Marketing Act and the other the Farmer's Debt Adjustment Act. How is the opposition's mind now upon the Marketing Act? Does it believe in it or not?

Some hon. MEMBERS: No.

Mr. BENNETT: It has promised to repeal that act if it gets into power.

Mr. FRASER (Northumberland): It will amend it all right.

Mr. MACKENZIE KING: When did it promise that?

Mr. BENNETT: It did not say amend, but repeal. I read in the press in Ontario that they said that if they were returned to power the act would be repealed, but I am glad to see signs of repentance now and recantation, as usual, with respect to anything that has proved to be useful to the people themselves. Last year day after day they opposed this act, this act that was proposed for one purpose, namely, to enable the producers of natural products to cooperate with one another for the sale of their products just as labour has cooperated, just as capital has cooperated, just as other forces have cooperated to do the best they could for themselves. They have opposed it. They have placed themselves on record as being opposed to it, yet they also opposed the provision that the government of the day might, in case of emergency, take measures for the preservation of peace, order and good government. They opposed that provision, yet I lived long enough to see the Premier of Quebec and the Premier of Ontario send a delegation to the government of the day asking them, through the combined force of the peace, order and good government provision and the marketing act—which did not apply—to take such steps as they might suggest to save the newsprint industry from demoralization. The very emergency which we thought might occur did occur; the emergency arose and the executive power was clothed with authority from this parliament to take the necessary steps.

When I hear the right hon. gentleman talk of the derogation of the rights of parliament I am surprised. I do not know that I am so much surprised as astonished, for it seems impossible that anyone who has been in this house as long as my right hon. friend has been, who has seen bills introduced and given first, second and third readings and passed through both houses of parliament, that conferred upon given individuals the authority and power to exercise certain functions if the occasion should demand, should know better than to say that this is a usurpation of the powers of parliament. What has happened is this: Parliament, in the manner known to all, by enacting legislation has conferred those powers upon specific individuals, to be exercised in time of emergency. It will always be so, for you cannot keep parliament in session all the time to exercise its powers. So it grants or confers these powers upon the executive or upon named individuals. The power may be conferred upon the railway commission; it may be conferred upon a marketing board or some other board. It matters not; these powers are delegated by parliament to the individuals or boards that may be named. And more; the courts have declared time after time that unless and until parliament has so delegated its power there is no validity or strength in any order that may be made by any executive or board that is not clothed with such power. The privy council decided that long years ago. There must be a delegation of authority by parliament or by the dominant power to its agent or to the delegated authority which may exercise that power. That has been done on every occasion, regularly and properly, and in accordance with the institutions of this country. It has been done time after time. It always will be so until the parliamentary institutions themselves vanish. When it is suggested, as it has been; when it is whispered, as it has been, that this government or its leader desires to deprive parliament of its power, I say that the leader of the government on all occasions has not only set forth but has demanded that parliament shall, in specific terms, clothe the executive with the powers which it is desired should be exercised, before they can exercise them.

But, sir, that has not always been the case with the right hon. gentleman opposite. He set up an advisory board on tariffs and taxation, and when I asked the Minister of Justice for the power and authority to do so he had to admit that no such authority had been granted by this parliament. So we had a body that had no authority behind it for its creation, a body that was without authority for its creation.

Mr. MACKENZIE KING: Parliament voted the money for the constitution and salaries of a tariff advisory board.

Mr. BENNETT: Parliament voted money, but the right hon. gentleman knows that did not create it. Parliament pays it, but it does not confer authority upon it to do any particular thing or exercise any power. The order in council in that case is just as harmless as the order in council, for instance,

conferring the title of "Honourable" upon somebody while those passing the order in council object to someone else conferring a similar title upon some other person. It is almost unthinkable that a student of the constitution should endeavour for a moment to make it appear that this parliament has done other than clothe certain named individuals or boards or bodies or organizations with power. The marketing board stands as a body created by this parliament, clothed with the powers and authority delegated by this parliament, for the benefit of those for whom the board was created.

Now, I fancy there will not be the same violent opposition to that board that we found a little while ago, and why? Because it has succeeded; because it has discharged the function for which it was created. Those who sit opposite are always anxious to agree that they had a part in the making of that which functions properly, while if it fails they take credit for having said "I told you so." That is the position with respect to that. Let them stand up one after the other, those who voted against the creation of that board, and say they are opposed to it to-day. Let them go back to their constituents and say they are opposed to the marketing act. Let them go back and say they are opposed to the adjustment of farm debts in this country. These are the acts in connection with which we say we have made a movement towards reform, having regard to the conditions that exist in this country.

I did not think the right hon. gentleman would have had the hardihood to mention the central bank. What did he do on the third reading of that measure? He desired to be on all sides of it, so he moved a resolution stating that one of three things should be done; there should be government ownership, government control or part one and part the other. When his motion was found to be out of order he had to vote as St. James street indicated, for his former Secretary of State arose in his place and said, "Why do you not follow the advice of the bankers of St. James street, Montreal?" Then, one after the other, they got up and voted against the third reading of the bill. Sir, there never has been a measure in this country in connection with which the government has had more power than it has with respect to that bill. The comment that is urged by many is that the government has too much power.

Mr. STEWART (Edmonton): In connection with the central bank?

Mr. BENNETT: Yes; it is said by many that the government has too much power, for in the hands of the governor and the appointees of the government rests a responsibility and power that many think entirely too great. But having regard to the conditions to which I referred the other day, I still believe that the only method by which it could function successfully is to confer upon those three officers, the governor, the deputy governor and the assistant deputy governor, the powers that are indicated, the Deputy Minister of Finance being the liaison officer between the government and the bank. But let us see, after listening to the right hon. gentleman yesterday, what he said on April 26, 1932, when the hon. gentlemen who sit opposite me and to my right moved a subamendment, stating:

> That in the opinion of this house, as a first step towards general economic reconstruction, our financial system should be nationalized—

The right hon. gentleman laughed at that. He said:

> That is the substance of the subamendment. It suggests two things: First, the nationalization of our financial system and, second, the direct adoption of a policy of inflation. May I in the first instance ask this question of those who have moved this subamendment: If our financial system is to be nationalized, whom are you going to entrust with that work? Are you going to entrust the government opposite with it? Are you going to entrust hon. gentlemen opposite, who have dealt with the tariff in the manner in which they have, under the freedom which has been given them, to nationalize the finances of this country? Yet that is what this amendment is suggesting, because it is addressed to parliament as it exists at the present time. May I ask another question? Were a Liberal administration in office would you entrust a Liberal administration with that task? May I ask still another question? Were you in office yourselves, would you undertake the work of nationalizing the finances of the country? I do not believe that any group of persons who have given thought to these matters would attempt a task of that kind in Canada at this time.

Yet what did he mean yesterday? Either he had seen the light and adopted the argument of the hon. gentlemen who sit to his left, or his words meant nothing. He talked about the direct government control of credit. That is what the hon. gentlemen opposite and to my right said; that is what he jeered at a few months ago. But now, because a central bank is coming into being which will function under officers appointed by the governor in council, with a liaison officer in the person of the Deputy Minister of Finance between the bank and the government, thereby securing all the benefits that come from independent private ownership in an institution directed in the manner I have indicated, with the control

of the government such as it is under that statute, stronger than I can possibly conceive under any other method, with the government itself nationalizing and going into the credit business, now he finds this political factor. That was what the right hon. gentleman said in 1932. What does he mean by what he said yesterday? What is his policy? He speaks of the nationalization of credit. Does he mean that a political party is to determine what individual credits shall be, or what the credits of the customers or of the banks shall be? If he does not mean that what does he mean?

Mr. MACKENZIE KING: May I ask the Prime Minister if he regards nationalization and control as one and the same thing?

Mr. BENNETT: I am only reading what the right hon. gentleman said.

Mr. MACKENZIE KING: Yes, but he is putting a wrong interpretation on the words.

Mr. BENNETT: He said:

> And, if we ourselves would not undertake a scheme such as this, what would be thought of Canada by other countries if it were announced to-morrow that this House of Commons had attempted any such task as the one indicated in the subamendment?

Now, the subamendment which I have read in part contemplates the very thing which the right hon. gentleman yesterday said he supported.

Mr. MACKENZIE KING: No, it relates to nationalization.

Mr. BENNETT: No, it did not stop at nationalization, but control of credit. And this government has endeavoured by every means within its power to prevent credit and politics being mixed, the one with the other. We have endeavoured to secure for the people of the country the widest possible credit facilities, based not on inflation, not on the principles of nationalization and of the granting of credit on any terms whatever, but upon a comprehensive appreciation of the importance of finance in the life of a country such as this. I confess that after listening to what the right hon. gentleman said yesterday, and comparing it with what he said in 1932, I find it somewhat difficult to understand just what his observations really mean. I suggest that possibly they are not unlike the observations he made when the matter was under consideration in the house before, namely, the suggestion on third reading that we should beyond all question straddle the fence and have three policies so that peradventure he might be able to get someone to support him on each. That is about all that can be made of it.

I have here statements made from time to time with respect to these matters, but I will not trouble the house to deal with them at this time. I simply say this. If the right hon. gentleman is correct in the statements he made yesterday as to the attitude of the Liberal party in the past towards reform, then why were reform measures not passed? The time to pass reform measures is when conditions are prosperous.

It has been suggested that I have changed my attitude towards these problems. That is what has been suggested.

Mr. RALSTON: Stated.

Mr. BENNETT: That is what is stated, then. Those who have stated it are not aware of the facts. When the world economic conference was called into being, over two years ago now, I told my colleagues, as I told caucus, if I might refer to that, that if the conference failed—if it failed—it would be the duty of this government itself to propose reform measures for Canada. Those who are familiar with my own course in parliament and who will consult Hansard of 1913, those who care to look into my attitude on the railway question, when I broke with my own party and voted against the action taken then, will realize that I at least had a clear appreciation of the dangers of exploitation of the Canadian people in the manner in which they have since been exploited.

Let us consider the suggestion made yesterday. The suggestion was, "Don't legislate; just let the people get together".

Mr. MACKENZIE KING: There was no suggestion of the kind.

Mr. BENNETT: Well, I may have misunderstood the right hon. gentleman but he said, "Let the community and labour and capital meet together and arrange matters to their mutual satisfaction." For, he said, the community had an interest, capital had an interest and labour had an interest. Now, I have read a little of history and I have always been interested in the life of one great man, Lord Shaftesbury. It is very difficult at times to mention the name of that great man, especially on an occasion such as this, because his greatness was such that even to refer to it should, it appears to me, induce every hon. gentleman who hears it to pause a moment. What did he find? Labour, capital and the community,—

Mr. MACKENZIE KING: Not working together.

Mr. BENNETT: Certainly not. How were they brought together?

Mr. MACKENZIE KING: They were not.

Mr. BENNETT: But they were.

Mr. MACKENZIE KING: They were not.

Mr. BENNETT: They were brought together by statute.

Mr. MACKENZIE KING: They were not and are not yet.

Mr. BENNETT: They were brought together by statute, because it was realized that they would never come together so long as capital was in the position in which it was. And so legislation was enacted that curbed its power. Even those who recall Morley's Life of Gladstone will remember how he objected, as a breach of the tenets of Liberalism, that there should be no interference with the free power to contract, even with respect to hours of labour. That was the Liberal doctrine, in the days of free competition and open markets, the days before combinations of capital made it impossible to have the one or the other. And so parliament has been asked to intervene. Why do we ask the intervention of parliament, why do we invoke the regulatory power of parliament? Because parliament represents all the people and not a few of the people; and the interests of all must be protected by that institution set up in the state, called parliament, for the purpose of enacting laws for the protection of all who may suffer from the inequalities of freedom on the part either of capital or of labour.

Lord Shaftesbury found it so; others have found it so. Others have said that it is not desirable nor necessary that there should be any interference with the power of men to conciliate with one another. That might have been so once, it is not so now. There must be the collective power of the state, as indicated by its laws, to curtail the power of capital, which, unbridled and unrestrained, means ruin absolutely to the community in which it flourishes. Is there any one who has any doubt about that? If so, he has only to read the history of Canada from 1920 to 1930. All he has to do is to read the history of mergers and combines and the exploitation that took place by men sitting close in council to the right hon. gentleman. They were not curtailed; their power was not lessened; they were not restrained but encouraged, because the Combines Investigation Act was circumvented—how? By mergers, which took the administration of business out of the control of those who had built the business and knew it, and placed it in the hands of the exploiter. If you have any doubt about it, you might read the proceedings before the tariff board in a very important case which it is not necessary for me to mention.

I have in my hand the Life of Shaftesbury. The right hon. gentleman has asked me from what source I have derived such impetus as is given my mind to survey these problems. I say, it has come from reading the lives of great reformers—not reformers who have been content to put these things in a book but who have insisted that parliament should legislate and enact them in the statutes of the country.

Mr. MACKENZIE KING: Where did the right hon. gentleman get his knowledge of the views of these reformers if not out of books?

Mr. BENNETT: Certainly. I found their views recorded in the pages of Hansard. Those who remember Lord Ashley's speeches in the House of Commons, or his speeches after he succeeded as Earl of Shaftesbury in the House of Lords, will find his position indicated in his public addresses—recorded, it is true, in books, but not books such as the one to which the right hon. gentleman has referred. His views are recorded in a book though he had an opportunity for nine years to place them on the statute books. But he declined to do so and permitted capitalism, untrammeled and uncontrolled, to destroy thousands of our citizens.

Mr. MACKENZIE KING: The Prime Minister told us yesterday that he had not read the book; how does he know what is in it?

Mr. BENNETT: No, pardon me; I did not say that. He suggested that I had gathered my ideas from his book. I did not. I disclaimed that, as I disclaim it now. But years ago I did read part of his book. I cannot say I read it with great care, but I did read it and I congratulate him on his industry. Not for a moment would I decry his industry, but I do say this, that in the realm of actualities and realisms, fine spun theories in books will not accomplish reforms. Shaftesbury put the matter in this way, according to his biographer:

> Finally, Shaftesbury's creed never ceased to emphasize the sanctity of personality over property; and to urge the God-imposed duty of cleansing the atmosphere from all vicious diseases, mental and physical, "spawned in the cesspools" of social corruption. Hence he pointed, with shame, to the incongruity that society treated many "as swine when children, and later expected them to walk with the dignity of Christians." To Britain's foremost

[Mr. Mackenzie King.]

reformer it was a primary demand of Christianity that society create an environment conducive to symmetrical growth; and for him symmetrical growth meant such development as that of the child Jesus, who "increased in wisdom and stature, and in favour with God and man." During his half century crusade for child welfare, Shaftesbury never wavered on this point.

If from that source and from others I have learned that it is my solemn duty and obligation, when I have the power and authority, to introduce those measures of reform which are referred to in the speech from the throne, I shall go forward; we shall go forward with that work to the end that this country may be purged of the inequalities and iniquities that have grown up under the system which, unrestrained and unregulated, not in all cases but in many, now finds its protagonist and support from those who on the one hand whisper of disdain and contempt and on the other say: We support it; on the one hand seeking support from the sources from which those iniquities have grown and on the other condemning them with their tongues in their cheeks. Not with such half measures will we carry forward our efforts. With those efforts for the improvement of society, for the overcoming so far as it may be of the inequalities to which I have referred, we shall endeavour by every means in our power to bring about those reforms.

I am convinced that the good sense and high intelligence of the Canadian people who have suffered long and patiently from the circumstances to which I have alluded, who have seen their savings taken away by speculation unbridled and uncontrolled, who have seen their properties lost, who have seen their children impoverished by reason of that speculation, will give to those measures that warm support and allegiance which will be found far beyond, shall I say, the range of parties but in the hearts of the people themselves.

Mr. J. S. WOODSWORTH (Winnipeg North Centre): Mr. Speaker, now that both parties have seen the light, there remains very little for us to do. I have sometimes wondered, as I have listened to the Prime Minister (Mr. Bennett) in his denunciation of the evils of capitalism, whether if he could appreciate how fundamental those evils were and how inherent they were in the system itself, he might not become a fine soap boxer for us.

The speech from the throne makes reference to the maintenance of peace. May I call attention to an incident that a few years ago would have provoked an international crisis? It is one of those things of which all parties may very well be proud. I refer to the settlement of the I'm Alone incident. A few years ago we would have had an outcry that we had to maintain Canada's national honour. Fortunately wiser counsels prevailed and the case went to arbitration. Now we find that the commission have declared that although it was a British ship of Canadian registry it "was de facto owned, controlled and at critical times managed, and her movements directed and her cargo dealt with and disposed of, by a group of persons acting in concert who were entirely, or nearly so, citizens of the United States." It was actually handled by Dan Hogan of New York and the late Marvin J. that is "Big Jim" Clark, a roving former convict, on a profit sharing plan. The arbitrators decided that an apology which I think has been tendered, was due to Canada by the United States for the sinking, and of Canada's damage claim, $25,000 was granted. The opinion of the international jurists is revealed in their conclusion there should be no compensation to the owner of the ship or indemnity for its cargo. An incident of that kind, the significance of which was hardly noted by our press, should encourage us greatly as to the possibilities of international arbitration and other methods of bringing about peace.

Last night the Prime Minister won a great deal of applause when he rather ridiculed the idea that anyone should avoid taking action that might be considered provocative in character. It is that very attitude that has so often caused international complications. I wonder if I might read a paragraph in a speech recently delivered by the United States Secretary of State, the Hon. Mr. Cordell Hull, who said in that country:

> Just as we set the vicious example of erecting the trade barriers of high tariffs which induced others to follow us, so now we are asking other nations to join us in an attempt to undo the damage our collective action has worked. We wish to break down all the artificial and excessive impediments put in the way of world commerce, not only in our own interest but for the benefit of all others as well, since only by restoring the whole world can individual countries hope, in this day of rapid communication and interdependence, to remain economically healthy long. A hermit nation means a hermit civilization.

If we are to have better conditions in Canada we must be willing at times to make some immediate sacrifice in order that we may ultimately attain a position which will be of advantage both to Canada and to the world at large. In this connection may I quote another statement, really not inconsistent with the preceding but emphasizing an important aspect of the problem. Henry Wallace,

United States Secretary of Agriculture, recently said this:

There can be little doubt that the trouble traces, in whole or in part, to a maldistribution of income. That doctrine is implicit in our new deal, which seems to me to rest on irresistible logic. We are trying to build up consumption per capita at home as a substitute for the continual search for new consumers abroad. Our new method involves a planned redistribution of the national income, in contrast with the unplanned redistribution that takes place regularly, usually unhappily, in every major economic crisis the civilized world over.

I suggest that it is only as we get away from the idea that we must solve our problems by a larger measure of trade—and as I understand that is essentially the position of both the Liberal and the Conservative parties—that we shall begin to set our feet on the road that will lead to a permanent solution of our economic problems.

As I listened to this debate I thought that perhaps it was time to get down a little nearer to the realities of the situation. The speech from the throne, as is frequently the case, opens with phrases like this:

...our country stands upon the threshold of a new era of prosperity.

During the past year the grip of hard times has been broken. Conditions show marked improvement. Employment is increasing.

How does that square with the statement made by the Prime Minister a few days ago in his first radio speech. In that statement he was nearer the facts. He said:

The truth is disturbing. The world is in tragic circumstances. The signs of recovery are few and doubtful. The signs of trouble are many and they do not lessen.

I turn to unemployment, which for many years we have been trying to bring to the attention of the house. Let me read the figures as given recently by the council of child and family welfare, which I think works in very close cooperation with the government.

While Canada's December bill for unemployment relief will likely prove to be not less than $5,800,000 with an estimated number of 1,150,000 dependent on relief aid...

Is that a satisfactory condition, even though unemployment was a little greater a few months ago?

At least 200,000 heads of families, probably more, are still receiving unemployment relief.

Some of us know what that means to one individual family. Think of the misery and degradation involved in 200,000 such families in this country. Further:

...over 20,000 able-bodied employable men are in relief camps...

[Mr. Woodsworth.]

Again let me ask whether, even in spite of fair food which we are told is given in these camps, it is a satisfactory condition that large numbers of our young men should be forced to spend months, yes, years now, of their lives under such circumstances, with no hope whatever in life? Then it is stated that there are:

—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.

The Prime Minister may tell us that Canada now has the proud honour of holding fifth place among the nations of the world in trade matters, but does that compensate for the fact that we have these enormous numbers of our young people not having a chance in life?

There are an unascertained number, at least not less than 200,000 youths and girls, say 16 to 25 years of age, who are idle, unemployed, and receiving relief either in their own homes or as "single persons."

More than that there are:

—hordes of homeless young graduates of the business and technical schools, and of the colleges and universities, unplaced, idle, drifting to dependency.

The Prime Minister made a few weeks ago a very fine statement. He said:

When because of fluctuations in industrial conditions, the worker is thrown out of employment, he should not be punished when the fault is that of the machine. For whatever is the cause of these depressions, whoever is to blame for them (if anyone is to blame), assuredly it is not the workman.

Yet to this day the workman is bearing the brunt of the depression.

I went the other day in my own city to where the men were receiving relief, and I think they were being treated there as well or perhaps better than in most cities of Canada. They were receiving two meals a day costing 5½ cents a meal. Is that a satisfactory condition? Is that the kind of thing that should prevail in Canada? Is the fact that we are the fifth trading nation and according to the Prime Minister better off than other nations, consistent with permitting these hundreds of thousands of our fellow citizens, who confessedly are not to blame, to go on under conditions of this kind?

Let me give one incident. I know of many more, some among my own personal friends, but I give one that attracted considerable attention a few weeks ago in my own city. It is rather a typical case, although the tragic circumstances may be somewhat exceptional. I read from the Free Press of December 18, 1934, the front page:

Valour Road Man Returns Home to Find Baby Boy Drowned in Bathtub, Five-year-old Daughter Strangled, and Wife Poisoned.

With thoughts of a poverty-stricken Christmas gnawing at her mind, a 28-year-old Winnipeg mother, Monday afternoon, took the lives of her two little children, aged 18 months and 5 years, and then committed suicide.

She had just completed the hanging of Christmas decorations in her little home.

Then with the home bravely adorned, and spotlessly clean, she strangled one child, drowned the other in the bath, and killed herself by drinking a powerful germicide.

There had not even been enough money in the house to buy the poison that killed her. She left a farewell note on the kitchen table bearing this out.

"I owe the drug store 44 cents; farewell," it said.

She had, according to neighbours, become despondent over continued poverty. Her husband had not had steady work for a long time and they had been forced to accept relief. . . .

They came to Winnipeg from England about four years ago. He is an electrician by trade. He got some work and the future looked bright. Then he lost his job. They moved away from their neighbourhood. No work came. Finally they were forced to accept relief. Then the baby, William Edgar, was born.

I should like to turn for a moment to the jury's verdict on that case. They recommended that:

—powerful disinfectants which contain a large quantity of carbolic acid be placed upon the poison list by statute.

Is that a solution of the problem—to put a few more bottles on the list of poisons? Yet it is typical of the way in which we treat our major problems of to-day. Further the jury found:

—that the five-year-old daughter, Margaret Constance, died from asphyxia induced by strangulation, and that the two-year-old boy, William Edgar, died from asphyxia induced by drowning.

And that the mother was of unsound mind. Is that any solution or any real explanation of that occurrence? None whatever. It is simply that that woman, weighed down by despondency after months and months of the treatment she had received, finally could bear the strain no longer. One other recommendation the jury brought in:

The jury further recommended that through the medium of the newspapers a subscription list be opened for the purpose of receiving contributions from the public to relieve the distress of the husband who is at present in very straightened circumstances.

Yes, we are going to put an extra label on certain bottles. We find that the mother has been driven to a state of unsound mind, and under those circumstances we are advised to support a newspaper subscription to help out a husband whose wife has committed suicide. Under such circumstances is that all the help we can offer? Possibly that is an extreme case, in view of its tragic outcome, but I want to say there are tens of thousands of families in our cities to-day living under as distressing conditions.

I submit we cannot maintain our self respect as Canadian citizens unless we take immediate action to deal with such matters.

Immediately below the story on the front page to which I have called attention I find the following item:

Conditions in textile trade investigated. It was apparent from the auditor's report that the cotton industry had weathered the depression successfully, The three largest companies, Dominion Textiles Company, Limited, Montreal; Canadian Cottons, Limited, Cornwall, Ontario and Wabasso Cotton Company Limited, Three Rivers, Quebec, had bigger sales and higher percentage of gross profit in 1934 than 1933. The three largest companies which dominate the Canadian industry had a trading profit of 8·7 per cent in 1934, the highest since 1929. At the same time wages stood at the lowest percentage, 24·5, in the period.

And again:

In 1934 the Wabasso Company in Three Rivers, Quebec, paid 25 per cent of its 1,256 employees 18 cents an hour or less. Three employees were paid less than nine cents an hour; 52 between nine and ten cents; 53, 10 to 11 cents; 11, from 11 to 12 cents; 12, from 12 to 13 cents; 21, from 13 to 14 cents; 74, between 14 and 15 cents; 38, between 15 and 16 cents; 47, between 16 and 17 cents and 7, between 17 and 18 cents.

The managers of these corporations objected to their names being given publicity. I do not much wonder. Further than that one of them had the audacity to say that conditions in the mills of this country were superior to those existing in Japan, where silk workers were paid 18 cents a day.

Mr. Speaker, I can scarcely speak with restraint when I realize that while year after year we have brought such conditions to the attention of this parliament practically nothing has been done to improve them. We drift along, sometimes passing a little bit of legislation, but spending the greater part of our time in acrimonious party debates. I must say I do not see that in the present session there is any very great tendency to alter the situation. Of course in the speech from the throne we have outlined a long program of reforms, and no matter what their motives may be I should like to congratulate the government upon bringing these matters forward for consideration. This speech contains more than any other speech I can recall during the period I have sat in this house since 1921. There are some twenty items of important measures, but at present I shall not take time to list them. No

wonder this program has fairly taken away the breath of the public.

Of course one must reserve judgment until the bills are introduced, but I think that at this stage several observations are pertinent. First of all, why has the government waited until the eve of the election? The Prime Minister's explanations are not convincing Again, unless some method is evolved of settling the matter of jurisdiction it is not fair to introduce legislation which may be challenged in the courts. I am not a constitutionalist, as a good many people would testify, but I do not think it is wise to plunge into a long legislative program which in the end may mean nothing to our people. But having said that I think we are surely in a very happy position to-day. The Conservative party has pledged itself to these reforms. The Liberal party states that they were pledged back in 1919; I hope they are still pledged. Then it would seem that we are all pledged, and the reforms should be passed in the present session.

In his radio addresses the Prime Minister said that he is going to reform the capitalist system, and that his legislative program will solve our troubles. I want to say that that program offers no solution of our major economic problems. If in spite of constitutional difficulties and opposition, the government is able to carry out 100 per cent of the reforms it has listed in the speech from the throne, I would say that Canada would come up only to the position in which Great Britain stood in the days of Lloyd George's famous program of social insurance, or to the point Germany had reached before the war. I hope the reforms are carried out but in such event, let me repeat, we would then only be in line with the more civilized nations of the world. I hope no hon. member in this house or any person outside will be deluded into the belief that this program constitutes a reform of capitalism. Capitalism still stands as a menace to the Canadian people and to the world.

I take it the speech from the throne must be read in the light of the Prime Minister's speeches over the radio. His earlier broadcasts were very startling; we were led to believe that capitalism was doomed and that Mr. Bennett was about to administer the coup de grâce. I believe that was the general feeling. Later speeches rather descended to a vigorous criticism of the Liberal party and the laissez-faire policy which had been adopted by it. I am inclined to think the criticism was fairly well done, because although to-day Liberals may disclaim the term their record shows that on the whole they have been opposed to government interference. If I may take the Winnipeg Free Press as an example of Liberal policy—and it is generally considered such—I would state that almost every issue is devoted to a denunciation of those who put forward regulatory policies.

The speeches also advocated certain specific reforms which are very desirable. If they are passed they will not in any sense undermine the capitalist system; on the contrary I think they will bolster it up. However, even in that case they may help out a number of individuals who to-day are in very bad circumstances. Whatever his motives may be I take it that the Prime Minister has made a great contribution to political discussion in Canada. There will probably be several permanent gains. First of all, the capitalist system is no longer sacrosanct. Whenever in the past anyone has spoken in denunciation of the capitalist system he was apt to have hurled at his head the cries of "radical," "bolshevist," "dangerous man." Now Mr. Bennett heads the procession in denouncing some of the evils of the capitalist system.

An hon. MEMBER: Order.

Mr. WOODSWORTH: Perhaps I should not have said Mr. Bennett, but Mr. Bennett has been speaking outside, and I was not speaking of what the Prime Minister had said in the house but of what Mr. Bennett had said outside.

The Prime Minister further declared, and I want to give him credit for this, that the capitalist system must be considered on its merits. In the past, most of us have taken the capitalist system for granted. It had come into existence before we did, and we grew up with its development, and so we never thought of questioning it, much less of suggesting that there could be any other system. But now the Prime Minister has said that it is a system of comparatively recent growth, that its most dangerous evils manifested themselves since the war, and that we should consider that system on its merits. All that is to the good, and I hope we shall do that in this house in the days to come.

Again, I would point out that the Prime Minister made a great contribution when he declared definitely for the regulation of industry. Anyone who has read the history of the last hundred and fifty years, especially of the last half century, must have recognized that the situation to-day is very different from that which existed in the earlier days of capitalism. Then the policy of laissez-faire may have been a very good one, the policy of reducing interference by government to a minimum;

but now even the leader of the opposition is obliged to concede that there are circumstances in which there must be a great deal more of government regulation. Twenty-five years ago the present leader of the opposition stood for government regulation of a rather mild type, but since the evils of capitalism have developed a great deal since that time, we must go a great deal further. I know that the idea of government regulation of industry is anathema to the old line Liberals, and a great many of them will never swallow it. A man said to me the other day: "You never can force us by legislation to do those things." I simply point out that there are a hundred and one things that we are being forced to do to-day, all sorts of things in our civic affairs, for instance. You cannot drive as you please, left or right; you have to drive to the right. You have to stop and go with the signal lights, and so on. We are accustomed to these things, but we have not yet carried them into the sphere of larger industry. Regulation is almost instinctively opposed by the children of the old pioneers, and as one of them I understand their feeling. We have been so accustomed in the simpler forms of society to going our own way that we hate to be regulated. I confess that I hate to obey the traffic signals on the street; in face, I can hardly see them. I like to go in spite of them, and yet I know perfectly well that the traffic of a modern city cannot be kept moving on the old uncontrolled basis. We cannot get through to our destination unless we observe the rules of the road.

We must recognize the changed conditions of business. We talk about individual freedom and individual initiative, but there is not a business man or a professional man or a labour man to-day but recognizes that in practice very few persons do have much individual freedom or individual initiative. They can hardly call their souls their own. Even university professors are being told they cannot enter politics. Labour people are being told that if they speak on their job against the party of the boss they will be fired, and with their wives and children dependent on them they hardly dare take the risk. I should like to ask what freedom in practice is left even to the branch bank manager, much less to his clerks. What freedom is left to the employee of a great commercial firm like Eaton's or Simpson's?

Mr. IRVINE: Freedom to starve.

Mr. WOODSWORTH: Yes, freedom to starve. In practice what freedom is left to the individual in a great industrial concern? Very little, and political freedom becomes absolutely futile unless we have freedom in the economic world. I think that has been amply demonstrated by the revelations of the price spreads and mass buying commission. Big business takes advantage of the old time psychology to urge freedom, but I submit that what we call freedom from government restraint means in practice that the big industries and the big commercial concerns control us body and soul.

It is a curious thing that to-day a great many business men are saying: We should have less government in business. Do these people stop to think that Canadian business to-day is almost entirely dependent upon government support? What about our railways with their charters, their grants, their subsidies, and more recently their guarantees? Yet if you were to talk about wages on the railways immediately the president of the Canadian Pacific Railway Company would get up and say: We must not have any interference by government with business.

What about those gaining control of the natural resources of the country, the timber limits, the mineral resources and the water powers? A few years ago we had Beauharnois, and I noticed in the papers only a few days ago that the Sifton estate was to receive $50,000 from Mr. Sweezey because of the services that Mr. Sifton had rendered in securing from the government the right to go ahead with that development. Is that the way we treat the people who come here lobbying, and getting $50,000 for persuading the government to do what the government never should have done? And now the natural resources are gone

Mr. MACKENZIE KING: Was there not also mention of having a lobby of members of parliament, apart altogether from the government?

Mr. WOODSWORTH: That is just as bad.

Mr. MACKENZIE KING: Yes, certainly. I agree with my hon. friend's point of view. The whole business is bad.

Mr. WOODSWORTH: It is bad to have the members lobbied, but of course the government really has control, and that is why I refer to the government.

Mr. SPOTTON: It was done by order in council, was it not? Why should members be lobbied? It could only have been the government.

Mr. WOODSWORTH: I need not refer to what big business has been able to secure from the government in the way of company incorporations and charters through which they

have been able to exploit the public. I need not refer to the tariffs under which a great many of our big manufacturers have been enabled to charge the people sometimes double what they ought to be charged for protected products. I need not refer to the bank charters which have given practically a monopoly of the financial affairs of this country into the hands of a group of private individuals. Such is the situation and yet to-day the bankers and these big business people have the assurance to come to us and say that there must not be any government regulation in business. I give the Prime Minister credit for challenging that position. I think we can never go back to the old position.

The fundamental weakness of the Prime Minister's speeches seems to me to be that his proposals would stabilize the present capitalist system. He divides people into producers and non-producers, and incidentally I would point out that he leaves out most business men and professional men who are not usually classed by economists as producers. He says the producers are those who live by investments on money, either earned or given to them. I want to say here that in my judgment the big fortunes of this country have not been earned by the sweat of the brow. Some of the big fortunes have been founded on war profiteering; others have been built up by a series of special privileges. They came out of the public; there was no other place from which they could come. The Prime Minister did not suggest that any of these big fortunes should be investigated, so I take it for granted that he assumes that they are to remain much as they are to-day.

As to fortunes that have been inherited, let me say that if we in this house had been doing our duty for the last few years there would not have been these big inherited fortunes at all. What does an inherited fortune mean? It means that if I inherit a fortune my children have a claim on your children before the children are born. It means that the man who inherits the fortune has the right to the services of others in the community, and while I am just as anxious as anybody can be to look after the widows and children, I want all widows and children to be looked after. The time will come when the position will be as it was very well put in the first labour manifesto issued years ago in Great Britain, that after comparatively small allowances are made for the immediate dependents, it should be that naked the man came into the world and naked he shall go out again.

What about these great fortunes? I take it that according to the Prime Minister we are to continue to have two classes of people, first of all the people who live by owning and secondly the people who live by working. That is where I part company with the Prime Minister. He would stabilize society with its present two classes, the people who live by owning and the people who live by working. The people who live by owning form a very small proportion of the people of Canada. I know there are the small investors, but not so very many. When we consider that less than two per cent of the people of Canada are wealthy enough to pay the federal income tax we begin to realize how small a proportion of the people are benefited by the present arrangement.

Mr. GRAY: Do you not think the owner works?

Mr. WOODSWORTH: I am not talking about the owner; I am talking about the two classes into which the Prime Minister has divided society, the people who live by working and the people who live by owning. If the owner is working he comes into the class of producers. If he is living on the earnings of other people he comes into the class of non-producers.

Mr. SPEAKER: I would draw the attention of the hon. member to the fact that he has exhausted his time.

Mr. WOODSWORTH: I think by the clock I have two minutes left.

Some hon. MEMBERS: Go on.

Mr. WOODSWORTH: With the permission of the house I will go on for another five minutes; as hon. members know, I have only forty minutes.

With regard to the specific proposals, I think we shall all be glad to support those having to do with minimum wages and maximum working hours. The British North America Act has been held to be an obstacle, but many times in this house I have said, and I thoroughly believe, that where there is a will there is a way, and I am quite confident that there is some way around the British North America Act. If not, it can be amended.

With regard to unemployment insurance, we have advocated that for years. It is a good idea, but may I suggest that you can build up reserves, we will say, for a fire insurance scheme when there is a time of tranquillity, with no big fires. If you have your reserves you can pay the loss when one house burns. If another house across the city burns you can pay that loss also, but when the whole city is going up in flames it is not time to begin to build up the reserves necessary for a fire insurance scheme. The

same is true with regard to unemployment insurance. How can the people who are now out of work contribute to such a scheme? How can the poorly paid people of to-day do so? It cannot be done. Under these circumstances I would say that the measure as proposed does not solve the problem of the half million people who are now out of work.

Mr. NEILL: We have not seen the measure yet.

Mr. WOODSWORTH: It will not solve the problem, because it is on a contributory basis. If the so-called dole is to be abolished, the relief as we give it at present, the latter state will be a great deal worse than the first, because I think we all recognize that a number of our provinces and many municipalities are practically bankrupt.

With regard to old age pensions the same might be said. With regard to any provision for health insurance, again we are heartily in accord with that step. I remember a slogan adopted a good many years ago by the women of Alberta; "The hospital as free as the public school." By all means let us have the hospital as free as the public school. I think it must come. When we were at war and a man was injured did we wait until he could secure a private doctor to take care of him? Did we wait until the ambulance man was assured that his fee would be paid? Not a bit of it; we said it was in the interests of the army as a whole that the man should be looked after. I believe that what is true in war time is equally true in peace time, and that it is to the interests of the community as a whole that our sick should be looked after.

How are such schemes to be financed? I submit that under the present system this is going to be extremely difficult. Does it mean new taxes?—surely our people generally cannot stand very much more in the way of taxation. Does it mean that the cost is to be borne by the bondholders? I have advocated that for years, but the proposal has been frowned upon and we were told that those are sacred obligations. I have tried to say that the obligations to the men, women and children of this country are much more sacred than those to the bondholders; perhaps now the Prime Minister is willing to take that view. Does it mean that the burden is to be passed on to the business men of this country, then I urge that business is hardly in a position to stand the additional load.

Now I come to the main problem, on which I should like to say just a word. How can we increase the prosperity of the country? Everyone says "increase trade," but that trade must be either foreign or internal trade. We can sell either abroad or at home. The Prime Minister has well said that the open market is a thing of the past. I do not think he has quite so clearly realized that the world market, the expanding market, is also a thing of the past. All the nations to-day that have adopted this capitalist system are producing in huge quantities and seeking markets. Under those circumstances we are not going to get the market abroad which we would all like to see. So we come to the home market, and the only way in which we can increase the purchasing power of the people is by putting into their hands a larger measure of purchasing power in the form of services and wages. In the past, instead of doing that, the government has tended to curtail both the wages paid its own employees—thus setting an example to the outside community—and the services rendered. That is the difficulty we face to-day.

Years ago, I remember reading the older socialist economists who pointed out that we had to face certain inherent contradictions in the capitalist system. I confess that formerly I was not able to understand that, but I understand it to-day. We have reached the point when such contradictions are evident. The very steps the government ought to take to save the situation they cannot take and meet their obligations. The very steps the business community ought to take in the way of putting into the hands of the people increased purchasing power they cannot take because of the huge capital indebtedness which has been piled up.

So now we face the need for a new social order. I think the Prime Minister was right, in words at least, when he said the old order is gone. Yes, I said "in words," because I do not believe the Prime Minister with all his knowledge—and he has a capacious mind—has yet realized that the present economic system is doomed. If he had realized that he would not have talked about a few of these reforms saving the system. We are facing one of the world's great crises, and while we attempt to do these things, which some of us feel pretty sure cannot be accomplished under the system, we might as well frankly face the larger issues. I believe that in this election, as in no previous election the issue that will face the people of Canada is this: capitalism on the one side and a new social order on the other.

Mr. GRAY: Democracy and socialism.

Mr. WOODSWORTH: Democratic socialism, if you like.

Mr. GRAY: I said democracy and socialism.

Mr. WOODSWORTH: That is the issue which we have to face in the days to come. I wish to thank the house for having so kindly extended my time for a few minutes.

Mr. MACKENZIE KING: Mr. Speaker, on a question of privilege. In the course of his speech this afternoon the Prime Minister (Mr. Bennett) quoted from a letter which I had written to His Excellency the former Governor General in 1926. The Prime Minister quoted only a part of the letter and I asked him to read the entire letter so that the paragraph which he quoted should not be misconstrued.

Mr. BENNETT: That is not a question of privilege.

Mr. MACKENZIE KING: I am speaking to the chair.

Mr. BENNETT: I object to its being raised as a question of privilege, which it is not.

Mr. SPEAKER: The leader of the opposition (Mr. Mackenzie King), as I take it, has the right to rise to a question of privilege. I have not yet heard the question stated.

Mr. MACKENZIE KING: When a communication of an hon. member has been partly quoted in this house in the course of debate, and he asks the member quoting it to read the entire communication, in the event of the member who is speaking refusing to comply with that request, has not the writer of the letter the right to have the entire communication put on the record?

Mr. SPEAKER: No, I think not. The right of a member to speak again is confined strictly to an explanation in order that there may be no misunderstanding or misconstruction by some other member of anything that he has said. There is however no authority of which I am aware that permits the subsequent reading by an hon. member on a question of privilege, of the entire communication, a part of which has been quoted, or of some statement made on a previous occasion. The right hon. gentleman, if the Prime Minister in his remarks misconstrued something which he said, has the right to correct such an error; but I certainly know of no rule that authorizes the step which the right hon. gentleman proposes to take.

Mr. MACKENZIE KING: My point is, Mr. Speaker, that by reading one paragraph of the letter, divorcing it from its context, the Prime Minister has misconstrued and misrepresented my attitude, and the only way in which that attitude can be correctly represented is by reading the full text of the letter. As a member of this house I claim the right to have the entire letter placed on the record, seeing that, the Prime Minister having quoted only a portion of it, he has in so doing misrepresented the main purport and intent of the communication.

Mr. SPEAKER: That, I regret to say, is not my interpretation of the rule. May has covered the point with respect to explanations that may be made by one who has exhausted his right to speak. At page 313 of the 13th edition he states:

> The proper time for explanation is at the conclusion of the speech which calls for it:—

That is one point on which perhaps the question of privilege is not correctly raised at this time, although I should not be inclined to rule in that regard.

> —but it is a common practice for the member desiring to explain to rise immediately the statement is made to which his explanation is directed,—

Mr. MACKENZIE KING: I did.

Mr. SPEAKER: Quite true.

> —when, if the member in possession of the house gives way and resumes his seat, the explanation is at once received: but the explanation cannot then be offered, if the member who is speaking declines to give way.

That is as far as the rule goes. So far as my limited experience and knowledge go, it certainly does not afford the right to the right hon. gentleman to read the rest of the communication, a part of which has been quoted. That would be my ruling.

Mr. MACKENZIE KING: Your Honour having occupied the chair only for the past few days, I will not attempt to appeal from your ruling. I do submit however that hon. members will be placed in a very embarrassing position if it is free to any member to quote from a communication any paragraph he chooses, unless the member whose communication is quoted from is given the right to have the entire communication read. I think Your Honour, by referring to the other rules of the house, will find that this is a privilege enjoyed by hon. members of this house.

Mr. JOHN T. HACKETT (Stanstead): Mr. Speaker, I avail myself of this opportunity to congratulate you on your elevation to the very ancient and responsible position which you now hold. Your appointment was the one oasis of unanimity which a parched house has come across in a week of wandering in the desert of controversy. You are not un-

fitted by temperament and experience for the difficult position which you have assumed, and I am sure that in the discharge of those duties which are incumbent on your office you will receive all the support which the house invariably gives to the fearless and the fair.

It is not my intention to take a very extended part in the debate. I do wish however to refer to a reform which has not been specifically mentioned in the speech from the throne and which I believe would bring great relief to the section of the country which I represent. The farm loan board has come under some criticism. It may be that the officers who are in charge of the operations of that bureau are carrying out the law. It may be that loans from that source are to be made as a private lending corporation would make them. If that is the case, then it is true that little can be said in criticism of the board's administration. But many of us had thought that the farm loan board was an agency to which had been allotted the task of coming to the succour and rescue of a very substantial and important element in our community which had been sadly smitten by the events of the past few years.

I must say that the operations of the farm loan bureau in the province of Quebec have been absolutely futile. The bureau has made practically no loans in the past year, and, instead of refusing categorically to make loans, has pursued a policy of attrition, aggravation and embarrassment to the applicants for relief. It seems to me that if this agency is to fulfil any useful function the spirit which animates those who direct it, and the policy which they pursue, must be modified or radical changes made in the law to permit of a broader and more sympathetic program of operation. In the eastern townships I have discovered that at least one hundred applications from one county have gone without any effective response whatever. The result is that the would-be borrowers have come to the conclusion that in so far as Quebec is concerned the farm loan board is without point, without purpose, and gives no aid whatever to the necessitous farmer. It is true that in Quebec there are disabilities which are inherent in our legal system. By the amendments passed here last session the board was authorized to lend on security which may not be accepted as security in Quebec. We have not in that province the chattel mortgage, and as a consequence, unless and until the legislation of this parliament is implemented by legislation by the Quebec legislature, that particular type of loan may not be made. Whether the provincial legislature will seek to aid the farmers of that province by enacting the necessary legislation remains to be seen but I have observed nothing in the newspapers to indicate that such legislation is on the program of the legislature for the current session.

The Prime Minister (Mr. Bennett) announced yesterday that a trade treaty with the United States was now a possibility. I can only say that the border counties of southeastern Quebec, which for many years supplied to a great extent the large centres of New England with dairy products, will greatly welcome any reentry to that market. It is difficult for people who are not familiar with populations that suddenly find all outlet for their product cut off, to realize how greatly has that element suffered. Rivers of milk and cream were dammed back at the border and literally flooded the local market. If the market for butter, milk, cream and meats can be reopened, much will be done to rehabilitate the farming community of southeastern Quebec.

The hon. member for Winnipeg North Centre (Mr. Woodsworth) has commended the government on the speech from the throne. Naturally he found somewhat inadequate the program of reform which has been enunciated by the leader of the Conservative party. I suppose it is natural that he should not be entirely satisfied with any program which aims at correcting and maintaining the capitalistic system. There are, however, many who believe that system, despite the many abuses which have crept into it, is useful and one which can be made yet to serve a happy and satisfied population. Until recently many thought the capitalistic system was the one best suited to all civilized peoples and the surest vehicle to a permanent golden age. The vehicle has been ditched, some think because the driver was blind to danger and deaf to warning. The government, without wishing to discard the system, has decided that the driver shall be disciplined and that new rules of the road shall be enacted. I believe everybody who forms part of the Conservative party will hail with pleasure any legislation that will tend to bring relief to many and put an end to the disorders from which we are now suffering. It is plain to everybody that, where there are so many people unemployed, where there are so many plants shut down, an attempt must be made by somebody to regulate the system and to bring order out of disorder. Order is unity arising from the apt arrangement of a plurality of objects. It cannot be left longer

to hazard; it cannot be left longer to the so-called forces of nature and much less to unrestrained competition. I believe this session will see many of these ills cured, the old system greatly revived and our country much benefited by these reforms.

At six o'clock the house took recess.

After Recess

The house resumed at eight o'clock.

Mr. ALFRED SPEAKMAN (Red Deer): Mr. Speaker, the speech from the throne and the addresses made by the leaders of this house upon that subject are so comprehensive in character and so all-embracing in the number and importance of the matters discussed that it is impossible for any man in the space of forty minutes to deal with them as a whole. Therefore I make no apology for confining myself at this time to one phase of the situation as we find it in this country, and to one reference in the speech itself. I refer to the Natural Products Marketing Act, to the attitude of the producers towards that act as far as I have been able to ascertain that attitude, and to the plans which thus far have been brought forward and presented by the producers under its provisions.

Lest I should be challenged as to my familiarity with that subject may I make this brief statement; upon my return home after prorogation, I found interest among the producers so intense that in view of some familiarity on my part with the bill itself I was in receipt of numerous invitations to speak on the subject throughout the west, particularly in Alberta, and I availed myself of as many of those invitations as was possible. In addition I have had the pleasure of being associated with various committees and boards which the producers themselves set up in Alberta and throughout the west for the preparation and presentation of their plans, and I have taken part in their discussion and consideration. At the request of the poultry producers of the three prairie provinces and of the live stock producers of Alberta I have assisted in presenting those plans before the federal board in Ottawa. I make this statement for one purpose and one only, which is to indicate that I have had some opportunity of acquainting myself with the general reaction amongst the producers in respect to this act, and with the work done and the plans in process and in contemplation by the producers under the provisions of the legislation.

Wherever you go throughout Canada to-day among the farming population, and certainly in the province of Alberta and throughout the west generally, you find this question being asked, and asked with increasing interest and increasing vehemence: Why it is that during this and all depressions, when general business is curtailed and meets difficulties through restriction of sales and through falling prices, the agricultural industry and agricultural products have been the greatest sufferers? This question does not embody an argument; it embodies a statement of fact. It is generally recognized that the farming population has suffered more than others not only in the falling of prices but in something which is more important, namely the relative exchange value of their products when translated into terms of those goods and services which they must purchase. It makes comparatively little difference, apart from the payment of debt and interest, whether wheat, for instance is fifty cents a bushel or two dollars; what counts is how many bushels of wheat it takes to purchase a given quantity of machinery, of household effects, of personal necessities. That is the question that is asked. It was in seeking an answer to that question that I believe this act was introduced, and it was because of that question that this intense interest has been aroused amongst the producers themselves. In the opinion of most of those definitely and directly affected, the chief factor which has brought about that differentiation and that lack of parity in exchange value is that during modern times there has been a disposition on the part of most productive enterprises gradually to centralize the control of their operations. The merging of small factories into larger, the centralization of production and control has proceeded. With this I am not quarelling; it may be sound; it may be in the interest of efficiency; at any rate it certainly is the tendency at the present time. But you find this also, that as business becomes centralized, and as the controlling executives of the various industries become fewer and fewer, it becomes more and more simple for them to control by agreement both the production and the merchandising policies of their industries. And because of that they have been able to withstand, in some degree at least, the shock of the depression in relation to their price levels.

Now we turn to agriculture. Whatever the future may bring—and I am no prophet—up to the present time as far as we can ascertain the individually owned and operated farm has been the most efficient form of agriculture; it certainly is the one most in vogue in this

country and on the North American continent. With that also I have no quarrel, but based on that fact we find this, that throughout the prairie provinces alone there are scores of thousands of individuals who themselves control not only their production policy but their merchandising policy also. You find also—and again this is not stated as argument but admitted and acknowledged as fact—that when this is the position the basic price of the commodity produced is set not by the strongest man, the man most competent in merchandising, the man who financially is best able to choose the time and manner of his sales, but by the weakest man, the man who is forced to sell and who may be driven to the lowest possible price. The price he will accept controls the basic price of the entire production. Upon the recognition of this fact was based the response of western Canada at least, and the producers of western Canada, to this act. They saw in it a possibility of removing that disability by their own effort and of placing themselves on a parity as far as sales management is concerned with those industries with which they must do business.

The act itself I shall not discuss, for every member of this house is familiar with its terms and provisions. The charge has been made that it is complex, that it is drastic, and that it is an interference by the state with the personal rights and personal business of individuals. Yet if properly understood the principles of this act and of all the plans formulated and brought forward under it are neither complex nor difficult. They embrace one principle, which is this—I will put it in the form of a question: Is there any productive industry in Canada outside of agriculture which is without a sales department as a part of that industry, functioning in the interest of that industry, and disposing of the product of that industry to the distributing trade? I think the answer will be that there is none. Indeed, I think it will be admitted by those engaged in other industries that they could not possibly function without such a sales department. Imagine for a moment every manager of every branch factory of some great manufacturing industry making sales to the trade on his own initiative, without coordination, without executive control, each manager of each unit and branch competing with the other units and managers in the same industry for the sales to be made. The answer would be that such a situation would bring about bankruptcy. Then, when we turn to agriculture we find that there are not a few unit branches, not a few independent managers, but scores of thousands of independent managers each making his own independent sales with results such as I have indicated. That is the principle of the act, and the principle of every plan so far formulated under the act, namely to create for the agricultural industry sales departments which will place that industry upon a parity with others with which it must do business. At the present time I am referring only to agriculture, but I have in mind the fact that the act is possible of broader implications.

Of the plans thus far brought forward I think that the two presented from western Canada—and I say western Canada advisedly because the three prairie provinces are embraced—are perhaps by far the most important, the most comprehensive and most all-embracing. As a matter of fact it is not too much to say that the poultry plan which was the first to be presented on the part of all three prairie provinces was the first plan brought forward under the act taking advantage of all its provisions. I believe when the plan is outlined it will commend itself to the sympathetic understanding of every hon. member. The producers found many difficulties: they were largely unorganized; they were without full knowledge of what the act implied and in many cases they had no basis upon which to commence their operations. In each of those provinces what were known as provisional boards or committees were set up. In some instances the movement was inaugurated by the pools then in existence. In other instances, as happened in Alberta, the Minister of Agriculture in that province was asked after discussion with and in cooperation with the various organizations in the poultry industry to appoint a board which would be representative of the industry as a whole. To this board certain limited functions were allocated, namely to prepare a plan, to organize at least in some degree, to call a meeting of the producers themselves and to lay before that body either for endorsation or rejection the plan they had formulated. This took place and in each case—and I say "in each case" advisedly—the plans were identical in form, because each of the three prairie provinces recognize the fact that their problems are the same and that their organizations must extend beyond the bounds of their own territory. Those plans were presented to the bodies of poultry men, the men and women engaged in the poultry business, and in each case received the almost unanimous endorsation of the assemblies.

Then another step could be taken. Those gatherings authorized the temporary or provisional boards to make the initial presentation of their plans to the federal board in

Ottawa, and eventually the plans were presented. They were scanned and examined; they were submitted to the law officers of the crown; they were approved as being sound and practical; they were approved as being within the provisions of the act and therefore legal. Then, referring to the poultry plan, in order that absolute fairness might be observed, a period was set aside for public advertisement during which time anyone in opposition to the plan or anyone who might have an amendment to suggest was invited to present his opposition or amendment before the federal board. At the conclusion of that period another hearing was held at which those opposed were invited to be present and indeed were present. The plans were again discussed in the light of representations made, and after some changes in wording and some slight amendments, were given final approval by the board.

I think hon. members will agree with me that up to that point the utmost fairness and the soundest business practice was followed. Then the question arose as to whether or not those plans did or did not have the real approval of the producers themselves. It followed that the local boards, the bodies responsible for the introduction and presentation of the plans, asked that an opportunity to cast a vote should be given to every producer whose product had come under the operation of the plan. In this arrangement the minister concurred. An order in council was to be passed which would create under the terms of the act what would be known as a registered producer. In the case of the poultry producers every poultryman in the three prairie provinces having a flock of twenty-five birds or more would be included; in other words every producer whose product might be subject to the plan would be affected. The list having been prepared a proclamation would be issued. Every producer within the provinces whose product would be affected would be given ample opportunity to register, thus attaining a threefold objective: first, to designate those whose products would be handled by the boards; second, to provide on the same basis a list of those who would be entitled to vote, and third, in the event of a plan coming into operation, to provide a definite summary or definite detailed statement of the amount of poultry products which might be raised or sold from every farm in western Canada. As I understand it arrangements have now been made under which the producers will be entitled to vote by ballot under the jurisdiction not of an interested party, not of those who have organized the plans, but of a tribunal set up and created by the government, as in every other election or provision which is made for voting. I believe no one may cavil at the fairness of the proposal. Now the promoters themselves have asked that only after a substantial majority of the producers pronounce themselves in favour of the plan shall such plan come into effect.

The live stock men followed a somewhat similar procedure. I might add, however, that in these plans each province will have a local board to be elected and reelected by the producers. The three provinces will then combine to create a sales agency which they shall control, and which shall designate and carry into effect the various sales policies of the producers. As to live stock a similar plan was followed, the minister was asked again to appoint a board of fifteen or seventeen men representative of every phase of the live stock industry. In that connection something happened which might almost be called a minor miracle—of course I am speaking more particularly of Alberta although the plans in Saskatchewan are on identically the same terms. Hon. members who are familiar with the history of the live stock industry know that there has always been a complete lack of understanding between the individual producers, the large ranchers and the small cooperatively organized farmers. I was delighted to see this board, composed of representatives of the largest live stock producers in Alberta or in Canada, representatives of the cooperatives, of the breeders' and feeders' associations, agree unanimously as to the objectives to be achieved and the plans to be effected. This committee devised a plan under which they hope their business may be operated. When that had been done a public meeting was called in the city of Calgary to which something like 160 live stock associations in that province were invited to send delegates. There were present some two hundred delegates representing about 140 organizations and about thirty or forty of the largest individual ranchers, and by a vote of 195 to 5 they approved of the plan and empowered the provisional committee to present that plan before the federal board. That will indicate, Mr. Speaker, the steps which have been taken and the unanimity which has prevailed throughout those industries in respect of this undertaking.

These producers have in mind certain objectives, which are very clearly defined. They may be stated in a sentence: to create in that department of the industry a sales department which for the first time will

function in the interests of the industry, and give the producers an effective voice in the sale and in the manner of the sale of their products.

It has been suggested that this is wholly unnecessary, that the present system, with a little control, a little checking, a little renovating, will amply serve its purpose. May I place before the house one illustration of the situation as it exists?—for I shall not labour the point. It is an illustration that is familiar to every member of this house and to every producer in Canada. Thirty-five years ago as a young man I was in the business of raising cattle and I sold my cattle, as everyone did in those days, on the one basis of $30 a head for three-year old steers on the hoof, and we sold them by the bunch. That was the basic price which was graded down for females and small stuff. A short time ago one of my neighbours who has been raising that class of beef cattle for forty-five years made a sale, and he netted $15 for three-year old steers of the same class and quality that thirty-five years ago brought $30. So in thirty-five years the price of that product has fallen by one-half, while in the same time the cost of producing these animals has doubled. Thirty-five years ago we raised our stock on the open range and to-day they are raised upon privately owned and municipally taxed land, and, as well, the price of many of the things that we must purchase from our proceeds has greatly risen.

I think the house and the country will perceive at once that no industry can carry on under those conditions, and that for us to remain in our present position is intolerable and impossible. The conditions in part, of course, are beyond our control, but there is a part that we believe is within our control, within the control of the producers themselves. They propose by their plans to eliminate the factor by which those purchasing our products are able to bid one against the other, gradually beating the price down until finally the weakest man accepts the lowest price, which is then set as the market price for the entire product.

We speak of the law of supply and demand, and I will admit at once that inherently and inevitably the law of supply and demand must function. But does it function? I have come to this conclusion, as have those for whom I speak, that the law of supply and demand can function only as between parties of equal strength. It cannot function as between organized purchasers on the one hand and unorganized agriculture on the other, no more than it can function as between organized employers in industry and unorganized labour; hence the rise and growing strength of trade unions. If the law of supply and demand is to function it is necessary that there be some parity of bargaining power between the two parties who are doing business together.

As I have stated, the purpose and objective of the plans of which I have spoken is to create this sales department. We go a little further in these plans than voluntary co-operation of industry itself has gone. On the one hand these producers and the producers' boards have the power of licensing the trades which are dealing in their products, and anyone who is familiar with the trade dealing with poultry and live stock is aware of this, that attached to that trade and an incubus upon it is what is known as the bootlegging section, those unethical operators who evade all laws, federal and provincial, and who will act in any way which may suit their purposes which are to bring to themselves greater profit —operators who are the curse of the trade and of those dealing with the trade. Only through some power of licensing can we confine the handling of our products to those who are legitimately engaged in the business and carrying on the business in an ethical way for the advantage of producer and consumer. So licensing is necessary.

On the other end of the scale, we find that principle which is commonly referred to as that of compulsion. Compulsion, yes, in a degree; that is to say, the power of a substantial majority of any branch of the agricultural industry to lay down and to enforce the methods and regulations and practices under which their sales shall be made.

May I call this to your attention, Mr. Speaker—and it is something which is overlooked by many who are opposed to this legislation and to these plans: Compulsion is not brought into effect or exercised by governments or by government officials or by the state or by anyone save the majority of those who are engaged in that same line of industry; and who else has a better right? It is the expansion into the field of farm marketing of the democratic principle which is accepted in almost every field of human endeavour, namely, the right of a majority to lay down the rules under which society shall be governed, and to force, if necessary, the minority to obey those rules. I will ask you, Mr. Speaker, what development could ever have taken place, what organizations could have been achieved under civilization—could even civilization itself been brought about—had not that rule been applied?

Democracy does not mean the unrestricted right of the individual to do as he likes. Democracy, I say again, implies the right of a majority within a community in any country and in any industry to lay down the rules and regulations under which that industry shall function. And this compulsion, so called, can be exercised only in the interests of the producers themselves, of those engaged in that particular industry; because anything which will redound to the benefit of the great majority must inevitably redound to the benefit of all. All sell on equal terms, all sell in the same markets, all are affected by the same conditions, and all receive the same advantages. So much for that.

The next thing to which I should like to call your attention, sir, is a question which has been discussed very widely throughout this country, namely, the capacity of the producer to handle and administer his own business on so gigantic a scale. Those who are opposed to this plan—I do not mean politically opposed; I am speaking now of those who are economically opposed because their interests may be affected deleteriously, those who have been battening upon and profiting from the farming industry—these people question the administrative ability of the farmer himself to handle this business. They say in effect that all the experience, all the wisdom and knowledge of market conditions are to be found in the ranks of those who are at present carrying on that business; that is, in the ranks of those who are doing the packing and processing and dealing in these various products. They have intimated that during all these years they have been acting in the interests of the producer. They have been functioning as the producers' sales agents, and they say that the interests and advantage of the producer have been their chief motive. To that I simply answer that you can judge the efficiency of men only by the results which they have achieved, and if those at present engaged in this business have been acting to the best of their ability in the interests of the producer, then, when under their administration we see the conditions which have been brought about and which are familiar to everyone here, conditions which are depressing and ruining the agricultural industry, I can only say, Mr. Speaker, that the producers of Canada are not unduly impressed by their assumption of efficiency, and they feel that a few years more of that kind of efficiency will see the live stock and poultry producers put out of business. They are, therefore, prepared to take over that responsibility. They believe, and they have so stated, that the only men really familiar with the problem are those who live with it; that the only men genuinely interested in the solution of the problem are those whom it affects; that the only men who can really understand and put into effect beneficial policies are those in whose interests such policies shall be administered and those who have lived with and understood those problems and suffered from a lack of their solution. They are prepared, therefore, to put these remedial policies into effect.

May I say also that two of our cattle men came down to Ottawa, representing the live stock producers, in order to present their plans. They included the largest single producer in Alberta—and when I say in Alberta that means in Canada—a rancher who runs about 12,000 head of stock. At present he is the chairman of our board. With him was the manager of the largest and most successful cooperative in our province dealing in live stock products. Those men came into contact with some of the leading men in this city, men in the highest branches of the civil service, men in government and business circles, and everyone who met them formed the impression that they were men competent to administer any business with which they were familiar, men competent to deal with, to handle and to control their own affairs. Indeed it is not too much to say that any man who has carried on the live stock industry for thirty-five years without going absolutely bankrupt is a business man of very high efficiency indeed, and is quite competent to deal with any further problems in respect of his own industry. That, at least, is the opinion of the producers, themselves, both of live stock and poultry.

Naturally I have discussed with those boards what their policies and objectives should be. I find that, with unanimous voice, they fully realize the limitations placed upon them. They realize that the final effective factor in connection with prices received is the ability and willingness of the consumer to buy and consume their goods. Their objective is not to sell a part of their product at a high price and restrict consumption, but to sell all their products at a reasonable price. Their objective is not to enhance the price to the consumer, but to eliminate the chaos and the losses incident to the manner in which their business is now carried on; to eliminate many of the charges and so-called services; to eliminate or control many of the exorbitant profits, and to secure for the producer his rea-

sonable and legitimate share of the consumers' dollar.

But may I suggest this to you, Mr. Speaker. Assuming that this plan did raise the prices of some commodities to the consumer, as perhaps it might; I do not know, but supposing it did; I am going to ask any man in this house who is familiar with labour conditions to say when labour in this country was in the best position. Was it during the time the farmers were receiving little or nothing for their products, or was it during those periods when the farmers were receiving fair prices and therefore were in a position to buy the products of their toil? I ask any labour man or any business man; I think anyone will say, if he is an honest man—and most of us are—that the country is always more prosperous, wages are always more satisfactory and work is always more plentiful when the farmer is receiving a fair remuneration. That is all they anticipate; that is their objective; that is all they are asking. That is the purpose of their organization.

I think there is no man in this country who is familiar with conditions, no business man, no producer of farm or other products, no citizen of Canada and above all no member of this parliament who would not welcome and support anything which, legitimately and properly put into effect, would improve the situation of the agriculturist. I think it is recognized as one of the outstanding facts of this time that any policy, sound in principle, properly administered, which would improve that position and raise that standard is one which should merit the support and cooperation of everyone. But I am going to ask this further question; if I repeat it, it is because of its importance. Who is the man best qualified to say what measures will bring about that situation? It is the producer himself, and under the terms of every plan suggested it is only if the majority of the producers have come to that opinion as their confirmed and settled belief that those plans will become operative. I would ask every man who is a good citizen—and that embraces every member here—to leave it to the producers, to give them every encouragement to cooperate and organize and to support them if those producers come to the confirmed opinion. I think that is not too much to ask.

Other questions, of course, arise in connection with the details of such plans, and care is being taken in that regard by those who have drawn up and presented them, since they all are producers. No one save a legitimate producer may have a place on the board; every member has had years of experience in the business. They know the intricacies of the trade, and plans are carefully drawn in detail to meet the minor difficulties which might arise. For example, in connection with poultry care has been taken that nothing shall interfere with the mutually beneficial trade carried on between the producer and the individual consumer, that sale of poultry, eggs and so forth which is made directly by the producer to the consumer. It is true that those carrying on such trade must secure a permit from the board, a permit which costs nothing and which, in the words of the plan, may not be unreasonably withheld. Anyone familiar with the business will recognize the necessity for that permit system, because without it, under the guise of selling directly to the consumer the bootlegging trade would find its source of supply. In connection with breeding, hatching, incubating and all that sort of thing, all the details are taken care of and the proper exemptions made. The purpose is not to interfere with that business; the purpose—and these plans specifically set out that purpose—is to deal with and control the product which comes on the commercial market, that and no more.

In connection with poultry, if these plans come into operation the poultry producers may reasonably anticipate real success, for the three prairie provinces provide the entire surplus in Canada for interprovincial and export trade so far as poultry and poultry products are concerned. Other provinces, large producers, consume more than they produce and must import, and the total surplus is found in those three provinces. That augurs well for success if these three provinces coordinate their efforts.

In connection with live stock the situation is somewhat more complex, but I am sure that if these plans fructuate and achieve success, even if it is only a modicum of the results which reasonably might be anticipated, you will find throughout Canada a gradual movement towards that organization until, for the first time, we will have a national policy in dealing with live stock, which this nation has lacked in the past and the want of which has been so deleterious to our national wellbeing.

Someone asked about wheat. I am not discussing wheat, which, with its enormous sales on the world market, stands in a different position to that of any other farm product. I am speaking of live stock, of poultry and of dairy products, the organization of which will follow the organization of the first two commodities if they succeed. I am speaking of those commodities in which, in each case, you will find from ninety-five per cent to ninety-eight per cent of the entire product sold within Canada. I should like to ask

this question: Why should the Canadian market be demoralized and brought to chaos; why should Canadian farmers be ruined in connection with ninety-five per cent of their market for the sake of the five per cent exported? Our producers will have to extend their export trade. They purpose, through their own organization and their own efforts, to put forth various improvements as to grading standards and quality, and as to assurance to the customer, which is lacking at present, that when he pays for a number one article he can be sure of receiving that article. No government law or regulation so far has been able to bring about that result.

In closing, Mr. Speaker, I should like to appeal to this house and to the country to give sympathetic consideration to the efforts of those producers who, under the authority of law, now for the first time are striving to bring themselves out of their difficulties and place themselves upon an equality with other industries, and to make a real contribution to the welfare of Canada. I need not perhaps appeal to the producers to consult their own best interests, not to listen exclusively to those in the trade benefiting by the troubles, benefiting by the chaos, who are the instigators and promoters of every petition which so far I have read and which has been presented to the producers for their signatures against the plan. I suggest that they study the plan on its own merits, make up their own minds, and vote in their own interests.

Mr. HUMPHREY MITCHELL (East Hamilton): In view of the many reforms suggested in the speech from the throne and of my very great interest in most of them, extending over many years, I feel that I should take some time to discuss my reaction to them. It is often said that a man cannot be a good debater unless he has come to the conclusion that those opposed to him are a gang of scoundrels. Now I am not going to take that attitude; I am going to take what I consider to be a positive attitude towards these many reforms, the attitude of men who have been in the movement to which I have had the honour to belong almost since my birth. That will be my approach this evening.

I do not intend to discuss the trade policies either of this government or of other governments that come into contact with it. I believe that we are just about emerging from that debauch called economic nationalism which has characterized the various countries of the world, and all the nations are coming to the realization now of its utter futility and are moving in the direction of saner trade policies one with another. I am not going to discuss the problems of the farm, because there are in this house men who are much more capable of doing so than I am. I was greatly interested in the observations made by those who have preceded me in this debate on the manner in which the Prime Minister (Mr. Bennett) used the radio quite recently.

Frankly, I believe the Prime Minister's position was absolutely sound, and I think it would be well if all the leaders of the respective avenues of thought within the orbit of this parliament met their constituents, if I might say so, in a form of shadow boxing, as the leader of the opposition humorously described it, and discussed with them the problems of the country and the way in which they propose to deal with them. But I do not think that this policy should be predicated upon the ability of any party leader or group to finance such an undertaking. I believe it comes expressly within the practical policy of the government of this country to provide that it should be done purely as a public service. It seems to me that the leader of every political party in this house should be given that opportunity and should not be barred because of lack of financial resources. It should be looked upon as a service rendered to the state in approaching the problems of the country. It would be an advance in the public education of the country. Such a policy, I submit, should be based upon an appeal to reason.

I do not think we have sufficiently caught the vision of the possibilities of the radio in the political life of this dominion. After all, the basic problems of government are comparatively simple. While in their incidentals they may be complicated, I do not believe it is beyond the intelligence of the average Canadian to understand them provided they are put to him in plain, everyday English. And after all the members of this House of Commons are not superintellects superimposed on the body politic but just plain, everyday human beings like the people outside, except that through good luck or otherwise they have been placed in the position of directing the legislative destiny of the nation in the best interests of the people as a whole. In a policy of broadcasting such as I suggest we should be able to avoid the alibi, if I might say so, of blaming the newspaper men for being misquoted; the citizens of the country would be their own newspaper men.

To-day and yesterday as well we have heard a good deal of talk about platforms. I think

it is generally conceded that platforms are usually constructed to get in on, and I do not believe that all the virtues or all of the vices are incorporated in any one political party; we are all more or less guilty, and we all more or less wake up to the fact that the reality rarely matches the dream. And of course this goes for all revenues of life.

Political platforms, I sometimes think, are rather like courtship; they are merely the bait which we put on the hook to get the prize; and of course most members of this house have lived through that practical experience, although the leaders of the older political parties have not had the experience. It is a fair observation to make however that they have been at any rate fairly sucessful so far as the political field is concerned. Speaking of courtship, the man is not always to blame; he is pressed by the women folk; and in political life the political parties are not always to blame, because they are pressed by their constituents.

I think it would be well to give the political platforms of both the older parties. This has not been done in this house this session and I will start with the 1919 platform of the Liberal party. That platform declared for:

Limiting hours of work to an eight hour day and forty-eight hour week, along with a weekly rest of at least twenty-four hours;

Abolition of child labour and the imposition of limitation of the labour of young persons to assure their proper education and physical development;

Abolition of sweatshops by setting legal standards for conditions of labour which should have due regard for the equitable economic treatment of all workers;

Industrial control to safeguard workers' interests and shape industrial policies;

An adequate insurance against unemployment, sickness, dependence in old age and other disabilities;

Steps to overcome questions of jurisdiction between the dominion and the provinces on these matters;

Government action to deal with the high cost of living and prevent profiteering;

Payment of a wage sufficient to maintain an adequate standard of life;

The right of association for all lawful purposes for both employees and employers;

That labour shall not be regarded merely as a commodity or article of commerce;

Enforcement of laws and regulations for the protection of the employed, etc.

Then we have the Conservative platform, enunciated in 1927 at Winnipeg. It dealt with:

Limitation of hours of work to an eight hour day and forty-eight hour week, and a weekly rest day of at least twenty-four hours;

Abolition of child labour and limitation of the labour of young persons;

Fixing of conditions of labour with due regard to the equitable economic treatment of all workers;

Encouragement of industries that afford reasonable continuity of employment;

Abolition of child labour by preventing the working of children under sixten years of age;

Social legislation designed to control human life and health and to relieve distress during periods of unemployment, sickness and old age.

Other parts of their platform dealt with the development of labour exchanges, or employment offices as we call them; greater cooperation between governments, capital and labour, and consultation with representatives of employers and employees on matters affecting both parties in common.

As I said before, these platforms achieved their purpose. They aroused the imagination of the working people of the dominion, making it possible for the different parties to get into power. I think tribute should also be paid at this time to the Labour group in this corner of the house and their associates for pressing for these measures at a time when they were not so popular as at present. There must be a radical or a progressive driving force within any legislative body if it is to move forward. I believe that the Labour group in this corner has made a distinct contribution to the life of this dominion by the attitude it has taken towards public measures that have been adopted from time to time by the predominant political parties. It is a responsibility that has to be taken by all forward-looking individuals. The predominant parties naturally have their ears to the ground. They use their best judgment to catch the expression of the desires and needs of the people, and to launch suitable measures when the opportune time comes. The records of this House of Commons are full of the efforts of the Labour group to press forward what they considered the very necessary policies that are to-day incorporated in the speech from the throne.

Then of course tribute must be paid to outside organizations that have made possible the move towards these policies, such organizations as the Trades and Labour Congress of Canada. I have before me a pamphlet showing that as long ago as 1882 reforms similar to those incorporated in the speech from the throne were embodied in the policies of that organization. Then of course other labour and progressive organizations have helped to make possible this approach. I think it is fair to say that at the moment we have a paradox in the political life of this country. It is customary for political parties to die in harness, or, to use another figure of speech, of dry rot; I think that is a fair observation to make. The opposition generally

gets into power by trading on the disabilities and weaknesses of the party in power. There is nothing new about that; we have seen it in countries quite close to us, and in other parts of the British dominions. I have no qualms in saying that I have come definitely to the opinion, having taken some part in the movements of the working people of this dominion, that we do not care who does it so long as it is done. We must not miss the opportunity; if this is the psychological moment when the foundation stone-merely the foundation stone—of these reforms is to be laid, then we should avail ourselves of it. If the government of the day can be the instrument of policy for the launching of these reforms, God speed them! That is why the addresses of the Prime Minister created such a profound effect upon the Canadian people; not because his suggestions were new, or came through some divine vision, but because of their source and the time at which they were enunciated. The Prime Minister said very definitely—perhaps it is a bad habit for men in public life to say these things too definitely; we have seen that in the last couple of days—that the old order is gone never to return; that the time for reform and government control and regulation has come. He said, I gave a promise in 1930 to end unemployment, and by that I stand." He will have to get a move on. Then to give effect to this program he enunciated the following policy:

Establishment throughout Canada of a uniform wage and a uniform maximum working week;

Abolition of child labour and sweatshop conditions;

Creation of a permanent system of sound and scientific unemployment insurance and abolition of the dole;

Present obsolete Old Age Pensions Act to be replaced by a new, scientific scheme of old age pensions;

Health, accident and sickness insurance to be developed;

Further taxation of non-producers who derive their incomes from securities, mortgages and other wages of money;

Protection against exploitation of producers by monopolistic purchasers and certain types of middlemen and distributors who are "economic parasites";

For consultation with other groups and the establishment of a national economic council.

What has been the reaction to the speeches of the Prime Minister? Some people say that the promises and the projected policy of the leader of the government stand in the same relationship to his political program as those of 1930. Some say that the policies enunciated smack of fascism, some say they are bolshevism, and one of the ministers of one of our provincial governments said they are pure Marxism. I have had some experience among radical thinkers in this country and in the old land and can count on my fingers the number of men who have been able to wade through the three volumes of Marx. Frankly I believe that these last observations were merely a smoke screen to frustrate the possibility of forward movement by this House of Commons. I speak now of all the political parties; because the government has enunciated its policy, the leader of the opposition has agreed with him in connection with these suggested measures, and I am doing the same thing, so it seems we are almost in line for a national government. I am not making that as a suggestion, but merely as an observation. There is not a great deal to fight about, on the principles at least.

The other day I was reading the autobiography of Philip Snowden. I do not often quote from books in the House of Commons, but after the nasty names that have been given to the Prime Minister, it might be just as well to read this. This happened before Philip fell from grace; I am speaking of the time when he fell from grace from the viewpoint of many of the active Labour lights in the old country. This was before he went to the great beyond in the House of Lords; it was when he was a real radical in Great Britain, and it just shows how hard the way of the reformer is. I quote:

The views on the budget—

This is speaking of the historic budget of Lloyd George of some years ago when some of the reforms we have in mind to-day were introduced in the British House of Commons.

The views on the budget expressed in the lobby after Mr. Lloyd George sat down were very diverse. The Labour party welcomed the budget as the first real effort the government had made to grapple with the problem of wealth and poverty. Many Liberal members did not conceal their dismay at the prospect opened up by Mr. Lloyd George's first essay in finance.

That reads pretty true in connection with some of my friends on the other side—I am not speaking of members of the house—if the newspapers are to be believed.

One Liberal member, who considered the budget from the point of view of how it was going to touch his pocket, declared grimly: "He will never introduce another budget! His reputation is gone."

No budget in prewar days ever exposed so many vulnerable points of attack. It was bound to excite the bitter opposition of a large number of vested interests. The opposition of the income taxpayers would be incurred by the proposed increase in the tax.

The liquor interests would fight the increase in the licence duties to the utmost of their powers. One brewer asserted that these increased licences would mean ruin to half the brewers of the country!

They are still doing pretty well over there.

The city was up in arms against the increases in the stamp duties, and, of course, the landed interests were infuriated by the proposed land taxes. Next morning the press took a party view of the budget. It was denounced in the Tory newspapers without reserve under such headings as "the Red Flag Budget."

That sounds familiar.

The Liberal newspapers in their commendation of the budget varied according to the degree of their radicalism. One thing everybody agreed upon, that the budget was so controversial that it was doubtful if it would be carried without modifications.

We might almost imagine this written in the month of January in the year of Our Lord 1935.

Mr. COOTE: What was the date of that?

Mr. MITCHELL: That was in 1911.

The Labour party gave a warm welcome to the budget, and their general support to it was assured. We regarded it as chiefly noteworthy because it was largely based on the idea that socially created wealth must contribute more generously to national purposes.

I have always maintained that men are the instruments of policies and not policies the instruments of men. Frankly, I believe Lloyd George will go down in the history of the British commonwealth as one of its greatest statesmen in the last fifty years. He practically redistributed the wealth of Great Britain through the instrumentality of the social insurances without any of the consequences that to-day are visible in many of the countries of Europe. What I like about him is that he did things; he moved. I know one classic example of a prime minister of Great Britain who, in my judgment, attained that office on the basis of his good looks and poetry. When he got the instrument of policy in his hands he did not know what to do with it and he had to go over to the Tories to help him out. One does not need any imagination to know who that was. I have always maintained that you cannot justify inefficiency or lack of action on the basis of good intentions.

I want to say this also very frankly to the government, that if for some reason this might be merely the instrument of getting into power again, they are tampering with the very democratic institutions of this country. The working people and farmers of the dominion have been very patient under the adverse circumstances through which they have passed, because after all is said and done they were not responsible for the depression; they were not consulted about it. Those who thought the stacks of paper they had in 1928 represented real wealth were, of course, badly disappointed. As I have said before, the inevitable windstorm came along and blew it out on to the street. That was inevitable, because unless the operatives in our industrial and agricultural life can buy back the products of their labour, I do not care what policy any government initiates, we are bound to pass through periods of very severe depressions such as we are passing through at the moment. After all, the real wealth of this and every other country can be expressed only in the ability of its people to engage in productive labour to such an extent and of such a character as to permit them to buy back the products of their labour.

I cannot at this time pursue a discussion of the various proposed measures except to say that while at the moment I am agreeing with them in principle, of course I reserve the right to criticize the details. I am not unmindful of the tribulations that surrounded the development of unemployment insurance in Great Britain and, for that matter, in every other country in which it has been established. Those who in their unguarded moments think unemployment insurance is a solution of the unemployment problem are just kidding themselves, and we might as well be frank about the matter. But I believe it is a constructive policy to meet the problem of unemployment, to meet the very difficult situation in which the municipalities find themselves at the moment, the end of which has not of course yet been reached. Whatever system exists, some insurance against the ravages of unemployment is necessary, because change in its very essence under any system of government creates an unemployment problem. Last year when I was in Great Britain they celebrated the twenty-first anniversary of the doctrine of social insurance by a dinner given to Mr. Lloyd George at which were represented the leaders of all political thought in Great Britain. It is necessary sometimes to say these things in view of the enthusiasm that has been developed in connection with certain forms of legislation, and I might point out that the British act has since its first passage undergone twenty-eight major operations. They have been moving in the direction of trial and error in their own way to make the legislation more nearly fit the needs of that country. I say this because I believe we must not get ourselves

into the mental condition that because we are setting in motion these policies, the very grave question of unemployment may be shelved and dismissed from the minds of the members of this house and other governmental institutions in this country. Some means must be found whereby we can tie up production to consumption; some means must be found whereby we can put a suit on a man's back and permit him to work and earn the necessary money to pay for it without its being an act of charity.

Comment has been made to the effect that the British North America Act stands in the way of many of these suggested policies. If such action is necessary I believe it is the duty of this government to seek the cooperation of the provincial governments. I hold the view that it is the patriotic duty—and I do not often use that word—of all governments in Canada to lend their aid towards bringing the British North America Act to the point where it may meet the requirements of the present century. I have no criticism to make of the framers of the act. They acted in the light of conditions existing at that time and possessing only that limited vision possible to mortal humans. They could not have contemplated the tremendous developments that have taken place in transportation, communication, industrialization and agriculture. To those who stand in the way of any movement towards amendment of the act I should like to say that after all is said and done it was passed for the benefit of the Canadian people; it was passed to meet their everyday needs and to make possible the legislative functions of government. With the changes in the functions of governments it is inevitable that there must be changes in our constitution. Among people from one end of Canada to the other the opinion is crystallized to the point where they believe one of the greatest requirements is the amending of the act.

I believe it was the leader of the opposition who raised the discussion concerning the Senate. I am making reference to all these points because I believe one would do better to put his finger on the spot where the sand may be put into the machinery. The right hon. gentleman has said that we have a Tory Senate. If I gather anything from the temper of the Canadian people, and if it is the policy of the Senate to put sand into the machinery, then we will have to reform the Senate. The time has long since passed when the Senate should be used as unemployment insurance for many of those in political life. I am of the opinion that anybody charged with preparing legislation should be responsible to our people. This has been a question of wide discussion for many years; if I remember correctly both political parties have discussed it sympathetically. I am not making these observations in a spirit of criticism of members of the Senate, because I believe if they stand in the way of reform there will be plenty of time to do that.

I see that the time allotted to me has almost expired. In conclusion I should like to make one or two observations. It has taken me twenty-five years to learn some things; that is one of the tragedies of life. It takes us a long time to learn anything, and then we pass out of the picture and our children have to learn all over again.

Mr. BOURASSA: Unless you write a book.

Mr. MITCHELL: Yes, unless you write a book. I remember a very good Liberal once saying to me, "Humphrey, never write a book." I do not think I ever will. I am not unmindful of the part played in the history of this dominion by legislative bodies, nor do I forget the real progress which has been made since I came to this country about a generation ago. I want to say to the labour men and farmers of Canada that there is no substitution for organization among those engaged in their occupation. To the working people I say there is no substitution for a free trade union. Lawyers and doctors learned that many years ago. If the Canadian people think that by giving three cheers at a political meeting their problems may be ended, they are only fooling themselves. It is essential that people vitally interested in the passing of certain legislation should have some form of organization capable of speaking for them, one which can take care of the changes found necessary to protect their interests. No matter how good the intentions of the government may be, it is quite necessary that through organizations interested parties attend to their own well being and destiny. We have seen that on many occasions. I believe the leader of the opposition referred to the vocational education bill; if some organization had been interested in carrying out the policies laid down in that legislation, something might have been done, and that applies to all legislation.

I should like to state that I will support the proposed reforms so long as they are in conformity with the opinions I have long held. And may I add that I would be most unfair if I failed to congratulate the government upon at least attempting to lay the foundation stone of reforms which have been successfully carried out in other sections of the British commonwealth

Mr. HENRI BOURASSA (Labelle): Mr. Speaker, while agreeing entirely and unreservedly with the suggestion to shorten the debate, made by the leader of the opposition, may I be pardoned if for a few moments I take the time of the house? Once more the views I wish to express are not those of any party or group in the chamber, but they are held by a number of people, difficult to count and living in all parts of the country, who consider me as their representative.

I do not purpose entering into a consideration of the various subjects contained in the speech from the throne. When they appear before us in the form of bills I shall register my votes and perhaps express my opinions in connection with them. The idea of speaking to-night has been suggested to me not so much through arguments urged in this debate as by the impression created on my mind by the two remarkable addresses of the leader of the opposition (Mr. Mackenzie King) and the Prime Minister (Mr. Bennett) respectively. That impression I propose to state frankly to them and to their friends; not that any feeling I may have is of any importance, but because I sincerely believe that my reaction is that of a large number of people throughout the country, whether they belong to one party or the other, or to no party at all.

I have listened to the whole speech of the leader of the opposition, and to part of that of the Prime Minister, and I propose to read carefully to-morrow the rest of it. As to my friend the leader of the Cooperative Commonwealth Federation group I unfortunately did not have the pleasure of hearing him, but I shall read his speech also. Only, a little while after he had taken his seat, a friend of mine, not belonging to his group, told me: "Woodsworth has spoken and has been very reasonable," which did not surprise me. Seeing that the leader of the government is rapidly preparing for the evolution of the Tory party towards socialism and that the leader of the Liberal party is inviting the leader of the Tory party to join his ranks in order to enhance Tory socialism, I suppose my friend to my left (Mr. Woodsworth) is preparing to lead the remaining Conservative forces of Canada; all of which shows that political principles and programs are very changeable things indeed. But let us leave that for the time being.

May I say, first, that I am a sincere and personal friend of both leaders? I have known both for many years. I really believe that I know them more intimately perhaps than many of their followers. For them both I have an equal sympathy and admiration. I have known the leaders of parliament and of government in this country for forty years. As a boy I assisted in the galleries of the old parliament to the last encounter between Sir John A. Macdonald and the then new leader of the Liberal party, Mr. Laurier. In the years following, as a member of the house, I have been a witness to the debates led by Laurier on the one side and Tupper on the other, and then Borden and the able men accompanying him. After having left parliament I still followed the course of men and things pretty closely. Now I say with all sincerity that, although Macdonald and Laurier may stand high above the other statesmen we have had in this confederation since its inception, we have not possessed two abler men, two men more sincere in their respective ideas and policies, or two men more capable of giving service to their country, than the Prime Minister and the leader of the opposition. I believe equally in their sincerity; but I must tell both of them and their followers quite frankly that the number of people who are ceasing to believe in the sincerity of their leaders and of public men generally is fast increasing. If the debates that are going to take place in this house, as a preface to the debates that will take place before the nation in the next few months, are to be carried on in the same manner, with the same bitterness, with the same attacks and counter-attacks between the leaders and followers of both parties, the respect of the nation for its leaders and the belief of all sincere Liberals, Conservatives and independents in the sincerity of party leaders will fast diminish.

I have not heard by radio the five speeches which the Prime Minister delivered preceding the session. I never listen to the radio; I have none. But I have read those speeches most carefully. I have annotated them for my own use and benefit; and I am free to admit now what I will repeat elsewhere, if necessary, that they contain much that is good, many suggestions which I hope will be adopted by parliament, whatever party is in power, and carried out for the benefit of the people of Canada.

It has been suggested that the Prime Minister is not sincere and that this is only pre-electoral talk. I hold no brief for the Prime Minister. I am glad for five minutes that he is not here. I am not a follower of his. I have fought his policies in the past; but when I hear his sincerity being challenged I feel bound to protest. Not only do I believe, but I know that he is sincere. He may have been mistaken in having waited so long to suggest these reforms. Some of them stand in dire contrast to the policies of his party and his

own policies in the past; but I know that these thoughts have been in his mind for months and for years; and when it is suggested all over the country that the Prime Minister is a selfish financier, associated with St. James street, and that this is only a smoke screen to prevent other parties from bringing in true social reforms, I know it is untrue. I know that the pontiffs in the financial circles of Montreal and elsewhere dread the effective power of R. B. Bennett, if I may be pardoned for naming him, more than that of any other man.

But that being said, I am bound to say that, after reading his speeches, I deeply deplored the observations made by the Prime Minister against the leader of the opposition. He has spoiled his own argumentation. He has diminished himself and his policy; and moreover he has been unfair to an opponent who is equally worthy of respect with himself. The leader of the opposition I have known for a longer time than the Prime Minister. With some of his policies, I have both agreed and disagreed. As to his sincerity in the views which he held long before he was a member of the house, when he was the youngest official in the service of this country, I know how sincerely bent he was in bringing about reforms in the social and economic structure of this country. Much laughter has been raised in this house because the leader of the opposition said: "Nineteen years ago I wrote a book." I suppose the joke will go on. No wonder. If a Conservative had said the same thing—

Mr. McINTOSH: It takes a real man to write a good book.

Mr. BOURASSA: Pardon me if I give it in my own way—my Liberal friends would have exploded with laughter, just as the Tories did when the leader of the opposition said that. Will that little and cheap joke take with the people of Canada? Maybe. We are the worthy representatives of a young and childish nation that makes much noise over very little thinking. It is but too unfortunate that we have so few men in the service of the nation who have had the intelligence and the energy, the knowledge and the proper study to write books from which, from whatever source they come, we could derive some useful information. There are names standing in the annals of all nations, of people who never did anything but write books, and some of them only one book; yet from that one book flowed rivers of thought which inspired men of action. Great matters of policy, national or international, social or economic, are attributed by the casual reader of history to this politician or that, to this business man or that great captain of industry; but the original thought creating those reforms will be found, by those at least who know how to read, in some one book or perhaps in some speech.

Not only that; not only has the leader of the opposition done service to the country by writing that book. By his acts, first, as a humble servant of the crown, then, later on, as a member of his party and as leader of the government, he has done many things in conformity with his principles. The Conservative party would lose nothing of the credit due them on account of the mental energy, the true and proven patriotism of their leader and, I say without hesitation, his disinterestedness—and I insist on the word because of the prejudices that have been broadcast from Cape Breton to British Columbia against what is perhaps the most admirable quality of that man—by admitting that the leader of the Liberal party is also a good Canadian who has done service to his country.

That is what I have had in my heart, because I love both of them; but I have had another thought in mind also. The more I travel and come in contact with people of all races and creeds in this country, the more I am convinced that what I am now going to say, as next to the dean of this house, is a bit of useful and friendly advice to all hon. members. We are on the eve of a general election. Within a few months this country will be flooded with oratory, over the radio, with articles in newspapers and speeches of various kinds on all the platforms of this country. It will be called "appealing to the reason of the people," but hon. gentlemen must admit that the average politician—and I have committed this sin long enough myself to confess it—does not appeal to reason. He usually appeals to sentiment and interest, and unfortunately these two chords are much more responsive than reason, conscience or intelligence, even in the triumph of democracy which is very often the triumph of stupid mobocracy. Well, what I have to say to my Liberal friends is that they have the chance of their lives to do their country a service which perhaps their party has not been able to do before. You know you are going to win this election.

Some hon. MEMBERS: Hear, hear.

Mr. BOURASSA: Of course; it would be ridiculous not to admit it. You know you are going to sweep the country. As a personal friend of the leader of the opposition I said to him at the end of last session; "My dear friend, I am praying to God that you do not come back with too big a majority!"

Therefore what reason could you have, from even the smallest, narrowest or basest point of view, to carry on a campaign of slander, of bitter attacks against Bennett, Cahan, or this one or that one? I would go further, or perhaps lower down: what interest would you have in carrying the election in the same way that your opponents carried the election five years ago? The main reason which will bring about the defeat of the Conservative party will not be the policy of the government. On the whole I think their policy has been fairly good. I will go further: because of the mental power, the energy, the persistency and, I repeat, the personal disinterestedness of the Prime Minister, the policy has been better than it would have been if the government had been led by an ordinary man; and it has not been as bad as it could have been, having regard to the past record and principles of the Tory party. So I repeat the question; why will they be snowed under this summer? It will not be because of their policy. It will be because there are thousands and hundreds of thousands of people in this country who will not listen to argument or reason; they will simply say; "We trusted the Tories in 1930. They deceived us. We do not trust them any more." That will determine the votes of thousands of men and women all over the country. Not only will the Liberals who voted for the Tory candidates five years ago return to the fold; many Conservatives will do the same thing in connection with this government that many Liberals did in connection with the Liberal government in 1930.

I am sorry for that, in a sense. I hope I will have nothing to do with the election, that I will be altogether out of the scrap. My sincere wish for the welfare of the country would be that one party or the other, it does not matter to me which, should be returned with a very small majority and that a sufficient number of members should be returned in this corner to hold the balance. I do not say they should blackmail the government. There ought to be enough intelligent men among them to realize that a blackmailing minority may gain something immediately, in one way or another, but that it soon loses the confidence of the people. If they also consider the possibility of one or two of their leaders becoming associated with the reigning party, either by going into the cabinet or becoming members of the Senate, as happened to two or three of the past leaders of the Progressive party, they will soon realize why, having come to this parliament some 69 in number in 1921, they dwindled down to the number returned at the last election.

As an old man, an old Canadian and, may I say, as a Christian, my appeal to all my colleagues is this: Let us resolve now to carry on this campaign, first in this house and later throughout the country, in a broad spirit of citizenship and Christianity. It can be done. You should do it in your own interests. You need not sacrifice the basic principle in your policies, if such thing exists; you need not sacrifice any article of your program, or to use the American slang expression, any plank in your platform. You could suggest your arguments to the people and endeavour to prove that your policy is better than the other, without saying that the other party have never done anything good, without saying that your opponents are not sincere, without saying, as the Tories did in 1930, that the Liberals had done nothing for the people during ten years and that the Conservatives alone could save the country. They ought to have known then, as I said last year in this very chamber, that no party, no man, either yesterday or ten years ago, or to-morrow, or five or ten years hence, could or can save the country through the efforts and cooperation alone of men belonging to one party, if they antagonize the rest of the country or create such a feeling of bitterness in their opponents that in their turn those opponents will profit by any accident of political fortune, or by any crisis, economic, social or international, to turn the game against them.

That brings me back to my starting point, which will be my conclusion. My Liberal friends will win. But I say to them, make no mistake. The votes that will be added to your actual majorities, the votes that will give you back the constituencies which you have lost, and many others, will not be given to you because the confidence of the country in the Liberal party has been restored. It will be one of the last tests, perhaps the last test which a rapidly increasing number of Canadians will make of the party system. If you win this election by outdoing your opponents, by promising to undo all that they have done and to replace it by perfection; if you win the election by promising more butter than bread, when the people come to realize, two or three years from now, that it is the same old story, then you, Liberals, as the Tories four years ago, will have done more not to advance the interests of this group, the Cooperative Commonwealth Federation, but to further social unrest and future revolutions and true bolshevism, which lies not at the door of my friend from Win-

nipeg North Centre (Mr. Woodsworth) but at the door of the true communists who have been continually attacking that hon. gentlemen, whom they rightly regard as the most effective obstacle to social revolution. That advice which I have already given I offer especially to my good friends from the province of Quebec or, broadly speaking, to my French and Catholic fellow members. To them I say: In the principles of your faith, in the traditions of your race, to which so many of the leaders of this country, of Protestant faith and of British origin, have rendered testimony, in these two great moral forces there lies your greatest strength to save the country. And it is acknowledged now. I was reading only to-day an admirable pamphlet issued by a social committee of the United Church in Toronto, a pamphlet which I commend to the reading of every member of this house. It is published under the signature of Sir Robert Falconer and of the secretary, whose name I forget. I shall write to them as a Canadian and as a Christian, thanking them for that admirable program of social reform. What pleased me profoundly was to find therein a paragraph endorsing the opinions expressed by Pope Pius XI in his great encyclical. Do you not see that tremendous spiritual force, which has been dormant in Canada for so many years, now rising? Could the old men in this house imagine that a time would come when a gathering of Methodist or Presbyterian ministers would render testimony to the teachings of the Pope in Rome? I am afraid that some of my dear old friends of the house in the past must have trembled in their tombs, some of those stout leaders of the Orange order, if they have read an expression of opinion, in the name of the whole United Church, endorsing the views held by the Anglican bishops in Lambeth Palace last year and the views expressed by the Pope.

Now are we, responsible in some sense to the people of Canada for their spiritual and moral welfare as well as for their material good, going to neglect that tremendous spiritual upheaval? Nothing is further from my thought than to suggest that any party should exploit the opinions either of the Pope or of the United Church or of any other church for party ends. I have always deprecated the introduction of religion into politics —which unfortunately has been done for so many years in this country by all parties— by making use of clerics or of clerical opinions as a means of bringing votes to one party or another. It is a thing to be despised and condemned. But surely the spiritual forces which might be used to bring the people of Canada to think of these matters, social and economic, from the highest point of view, a point of view higher than the mere material interest of the labourer, the working man, the merchant or the land owner, should be considered rather than neglected by all men responsible for the laws and the government of this country.

Would it not be possible for the Conservatives to expound their program and for the Liberals to expound theirs without bitterly attacking one another? It is perfectly fair for the Liberals to say, as my friend from East Hamilton (Mr. Mitchell) said to-night, that a good deal of the reforms proposed by the government can be laid at the door of their own party and that therefore they should be given credit for them. That is quite legitimate. It is quite legitimate for the Liberals to point out to the electors that promises made in 1930 have not been fulfilled. It is quite legitimate for the Conservatives to reply that their task has been rendered much more difficult because of the lack of vision of the Liberal government prior to 1930—and it would be quite true. I well remember that during the session of 1930, I, as a humble independent member, warned some of the Liberal ministers against the dangers that were coming—the depression, unemployment and the crisis. I told them that they ought to take means right then to meet that situation. But no; it was a small passing matter; Dunning would settle that in his little budget. Well, that delusion was as great as the delusion of the Conservatives at the present time, that the sole pronouncement made by the Prime Minister is going to save them from the consequences of their language in 1930. Chickens come home to roost every time; sometimes it takes four years and sometimes ten years, but they always come back.

Mr. SPOTTON: Pretty old chickens.

Mr. BOURASSA: Yes, and sometimes they are the worst.

Mr. MACDOUGALL: Why did you betray Laurier?

Mr. BOURASSA: If my friend knew something more about the political history of the country he would know that I fought Laurier when he was at the height of his popularity. When the Tory party was denouncing him from the Atlantic to the Pacific as the instrument of Catholicism and French domination, I stood by him. When he was the idol of Quebec, I stood almost alone against him in defence of the principles for which I have fought all my life. But when

he was betrayed by his Liberal friends, when he was downtrodden during the war, I came to him and freely tendered him a helping hand, not to carry but to go through the elections of 1917. But since I have been provoked by a gentleman who may or may not be in his senses I will add this. The last letter which Laurier wrote in his own hand, he wrote to me, to express his sympathy for the most cruel bereavement I have had during my life; and the answer I wrote came to him the day after his attack and two days before his death. But he knows now that although I fought him because of differences in principle, I loved him all my life; and he knew it then. The day I passed in his house in 1917, when he was betrayed by men whom he had covered with honours and favours—I never received anything from him and never asked—that day he pressed me on his bosom and said to me: "Bourassa, what has happened to me to-day you predicted eleven years ago. I know now where my true friends are to be found." May I be pardoned for having disclosed that feeling of intimacy? Perhaps much may be pardoned to an old man in his closing days; but this is as sincere as the sentiments I have expressed with regard to the present Prime Minister and the present leader of the opposition. If I go out of public life with one feeling, with one conviction, it is this: a deep regret for many bitter words that I have used in my life, deep and sincere repentance for all my violences of language; but I hope they will be forgiven me by God and man because not once in my life have I attacked anybody unjustly, from my point of view at least, and without believing it was my duty to do so.

Mr. T. A. THOMPSON (Lanark): I wish to congratulate the mover (Mr. Rowe) and the seconder (Mr. Dorion) on their splendid addresses; they have maintained and upheld the high traditions of this house. The speech from the throne was the most comprehensive and far reaching that has been delivered in this chamber since confederation. It clearly indicates that a new consciousness has arisen in the hearts of the Canadian people and that henceforth first things in this country will have first place and the welfare of the masses of the people will have first consideration.

There are many questions that must be dealt with by the Canadian people in the near future, questions of vital importance to our national welfare. One of them is our railway problem; another is our national debt, and another is government reform. We have too much government in this country. It is nothing short of financial suicide that ten and a half million people should continue to support ten governments. We have more governments to govern ten and a half million people in Canada than Great Britain has to govern forty-five million. I am quite sure that one government would suffice for the western provinces and one for the maritimes, but whatever alterations are to be made, the question must be solved by the Canadian people in the near future, because we cannot continue to support the multitude of governments that we have at the present time, and nothing, whether it is the British North America Act or any other act, should be permitted to stand in the way of promoting the happiness and welfare of our people. Conditions are constantly changing and changed conditions must necessarily bring new remedies, but any alteration in the economic life of a nation to be productive of the greatest good must be made with a wholesome distrust of the unknown and a love of the old familiar paths, coupled with a reverence for religion and authority and the protection of our civil and property rights. It is true that the dead branches must be pruned from the tree and new branches grafted on to it, but great care must be exercised that the life giving trunk and roots of that tree are not destroyed.

Under our present capitalistic system there have developed social and economic injustices that must be remedied, but this does not mean that the capitalistic system is to be destroyed or that individual initiative is to be suppressed. There is no greater motive power known to man that will develop in him the faculties which his Creator gave him than the profit system, but that profit system must not be permitted to run wild; it must be regulated and it must be curbed. When a man contemplates making an important change in his own private business, if he is wise he does two things: he looks back to see what has caused him to make those changes, why it was necessary that he should make them so that he may avoid similar pitfalls in the future, and he looks ahead to ascertain if possible what the result of those changes is going to be on his future welfare. A survey of our national life in Canada at the present time is dictated by both wisdom and by common sense.

The difficulties confronting the Canadian people at this time did not arise yesterday or the day before or last year or ten years ago; they are the product of many, many years. They began when machinery, the steam engine, electricity, the automobile, each in its turn drove the human element from almost every walk of life. At first we noticed the handicraft workers in our towns and

villages closing their doors, having been forced out of business by the factories. Those dislocations were easily adjusted in the earlier stages, but as industry developed there grew up, almost imperceptibly and unnoticed, evils in our economic and financial systems, and under cover of the unwarranted prosperity of war time those evils ate into the very vitals of our economic system and imperilled our national life. During the years that followed the war we saw nation after nation engaged in a mad scramble to save their economic life, raising insurmountable barriers around their borders, making it impossible or almost impossible for other nations to trade with them. We saw the United States of America closing their markets to our products; we saw England, the mother and the home of free trade and the champion of sea-going commerce, take her place among the protected nations of the world, until economic nationalism stifled international trade. We also had to contend with the products of Russia, of her slave camps, her forced labour, her mines, her wageless farmers. These were dumped on our markets, depriving our own people of the Canadian market. Between the years 1921 and 1930, while the markets of the world were being closed to our Canadian exporters, our friends of the Liberal party sat idly on the treasury benches and permitted the markets of Canada to be made the dumping ground for the surplus products of every nation of the world. During the nine years immediately prior to 1930 there were formed in this country 120 mergers, which gathered into their relentless maw hundreds of our small well-organized industries and formed them into over-capitalized stock watered companies that bled the investors of this country of their hard earned savings. Surely these things must be purged from our national life if Canada is to live and prosper. It was with a view to eradicating these evils that the price spreads committee made their investigation.

When the present government took office the depression was well under way. There was an adverse trade balance of around $100,000,000. There was an immigration policy that was adding thousands to our already large number of unemployed. This government took charge of the economic life of Canada in that very diseased condition and immediately set to work to revive our industries and protect and open up markets for us. They increased the tariff against countries that had raised their tariffs against us, they cut government salaries by ten per cent, they initiated the Ottawa trade agreements which put millions of dollars into the pockets of our farmers and also protected them against profiteers in marketing. I do not know what answer our Liberal friends who voted against these agreements will make to their farm supporters, in view of the statement made under oath by Mr. MacLean, president of Canada Packers, before the price spreads commission that there had been distributed among hog growers in Canada for bacon shipped to the old country $36,000,000 more than they would have received had these agreements not been in effect. The government also revived the textile business and put new life into the lumber business. They instituted the central bank; they passed the Natural Products Marketing Act and the Farmers' Creditors Arrangement Act. All this legislation was passed against the bitter opposition of our Liberal friends, who opposed all these acts brought in by this government in an honest endeavour to raise this country out of the slough of depression into which it had come; and this without one constructive suggestion being made by the opposition as to what should be done in the existing emergency, when Canada was fighting for her national existence.

It may be asked why the government did not bring in some measures of reform during those trying years. Our friends ask why the government did not perform a major operation upon the country when she was struggling for existence and almost at her last gasp. I answer, for the same reason that the skilled surgeon will not operate on a patient in a weakened and dying condition. They must administer palliatives, they must build up the body until it is in a condition that it can be operated on. So it was with Canada; the present government has nourished this country back to at least some degree of prosperity and into such a condition that it can stand being operated upon. The government has decided that it is necessary to change our system. We shall be asked to give our consent to a reform that will assure our old folk that they have no longer to look forward to a destitute old age. We shall be asked to consent to a reform that will assure the wage earners that they will no longer be obliged to work for starvation wages. You will be asked to give your consent to a reform that will lead to a more just and honest distribution of both the wealth and the taxation of the people of Canada. You will be asked to give your consent to a reform permitting the farmers to make a decent living from the products of the soil and the labours of their hands, and that in the marketing of their products will protect them from the exploitation of get-rich-quick racketeers. You will be asked to consent to a reform that will

ensure the honest industrialists of this country against being crushed by unfair and unjust competition of men whose only interest in business is to heap up wealth for themselves with utter disregard for the human element, which in every phase of our national life must be protected if we are to continue to exist.

There are those who tell us that the evils we now have arose during the last five years. I will ask them to take what consolation they can from the fact that these evils reached their height in 1929, the last year that our friends opposite were in power. To those who say that the proposed reforms will lead to fascism, I say that fascism is the very negative of the reforms proposed. Fascism is not government-controlled business, it is business-controlled government. I ask you to search out the hidden power behind a Mussolini, behind a Hitler, behind communistic Russia, and you will see the iron hand of big business with its world wide, interlocked directorates, crushing the very lifeblood out of the people without any thought or regard for the welfare of the masses. In this country we must come to a true conception of the ideal progress of a nation, realizing that true progress does not consist in superabundance piled up for the enjoyment of a few, but in plenitude honestly distributed for the welfare of all. Students of history tell us that the downfall of the Roman and the Grecian empires began with the oppression of the common people. They forgot the true elements of national greatness and their glory faded because they forgot the humanity of their people.

We must realize that if our industries are to prosper we must make it possible for them to sell their goods. Their products must be consumed or prosperity would be impossible. Clothing manufacturers cannot succeed if thousands of our people are underclad; our food manufacturers, our millers and bakers cannot prosper if thousands of our people are hungry. There can be no prosperity in Canada until the purchasing power of the farmer and the working man is materially increased. The proposed reform in our economic system is not an attempt to make the rich man poor; rather it is an honest effort to make the poor man rich or to give him at least a fair share of the wealth his labours have produced. It is not a levelling down to a common mould, as our socialistic friends would describe it; it is not an effort to make all men on a common basis, but it is a levelling up from the undertrodden. In Canada the body politic has been nursed back to a state of convalescence, and health has been so far restored that blood is again circulating in the veins of our industries and the body politic is in a position where it can stand a major operation. The people of Canada will shortly be asked to decide who shall perform the operation. Will they pass the patient back to the care of the laissez-faire rugged individualist opposite whose blundering had brought it to the point of death? Or will they not rather trust to the hand of the skilled surgeon who has so cleverly nursed it back to its present condition?

The democratic control of industry will I am sure bring about a wider distribution of the nation's wealth which, after all, is the product of the labours of all the people. The day is past, long past, when we can cry with Cain, "Am I my brother's keeper?" No man can live to himself, nor can any nation live to itself. Then let us march forward into a new era of security and peace, an era of decent standards of living for all. In the introduction of these important reforms we are this session taking one of the most forward steps the Canadian people have taken in many decades. Why not let us be united in our efforts? Let us throw aside our political differences. Let us discard our sectional bitterness and march with an united step towards the horizon of a brighter and happier day.

Mr. A. W. NEILL (Comox-Alberni): Mr. Speaker, I had not thought the debate was so near conclusion and must speak without preparation. I believe I can put in a few sentences the observations I wish to make. Before doing so, however, I should like to say a few words concerning the remarks of my deskmate, the hon. member for Labelle (Mr. Bourassa). He indicated his intention not to aspire to be a member of this house again. I hope he will reconsider that decision, we could ill spare him. We could better spare a better man, as the saying goes. He fills a niche in this house which, due to his vast store of knowledge of the long past and his association with the leaders of those days, can never be filled. It is an inspiration to have him among us. During his observations he described himself as an old man and a Christian. I am sorry I cannot adequately qualify to compete with him in that regard, but I do not think he is sufficiently either one or the other to prevent his conducting a campaign and, I trust, being elected. He struck a note of pathos in his concluding remarks when he said he hoped the house would forgive him for any harsh statements of which, as he put it, he had ever been guilty. As the hon. member is not in his seat

at the moment I might reveal a different aspect of his character. What a man says when he is on his feet sometimes reveals a side of his character different from that known to the man sitting beside him. I have upon many occasions been impressed with the friendly, courteous and tolerant opinions the hon. member expressed to me concerning those who apparently were bitterly opposed to him. There was one hon. member who sat on the opposite side of the house who used to attack the hon. member for Labelle in what I can only describe as a mean manner. I used to be indignant on behalf of my deskmate, but he would check me up, and if upon occasions I suggested retaliation he would simply reply that the hon. member was entitled to his opinions. When misfortune and illness overtook that man the hon. member for Labelle was one of the first to show his sympathy in a practical way. I know the man's inner feelings are much more tolerant than the remarks he sometimes makes politically in a debate.

I am not quite so sure that I join with him in his absolute conviction that the next election will establish the Liberal party in power. The right-about-face of the Prime Minister and the promises he has made and proposes to carry out have attracted a great deal of attention throughout the country. I must warn him, however, that he will be judged not upon anything written in the speech from the throne or spoken over the radio, but simply and solely by that portion of the program he puts into effect this session and which is passed not only in this house but in the other house, for whose actions, should they defeat any legislation passed in this chamber, he with his political affiliations will be held responsible. On that and on that alone will he be judged.

I believe the right hon. leader of the opposition (Mr. Mackenzie King) struck a very fine note yesterday when in order that a free hand would be given to the government to bring forward the reform measures, he forgot his constitutional objections and waived the motion of want of confidence which he promised last session. I appreciate that attitude, because before leaving home while speaking with my friends I stated that was the stand I hoped he would take. If the Prime Minister and his party are sincere in bringing forward these reform policies the very best way the Liberal and other groups in the house could serve the country would be to facilitate their passage.

I wish to call attention to only one or two lines in the somewhat lengthy speech from the throne. I quote as follows:

> Better provision will be made for the security of the worker during unemployment, in sickness, and in old age.

[Mr. Neill.]

The reference to unemployment undoubtedly has reference to some form of unemployment insurance which the Prime Minister promised three years ago when discussing a motion introduced by the hon. member for North Winnipeg (Mr. Heaps) and seconded by myself. He promised that before leaving office he would crystallize into legislation, his investigations into the matter. From statements appearing in the press and from his radio talks it would appear that the plan would be accompanied by a system of contributory insurance. I am quite willing to follow him in that connection because in the eight years I have advocated the measure I have stated that would be necessary. My hon. friend from East Hamilton (Mr. Mitchell) said to-night that unemployment insurance was in no sense a cure-all for unemployment. I quite agree. Certainly it is not, any more than life insurance prevents people from dying; but both are a palliative when trouble comes. It helps to absorb the shock of the blow of unemployment just in the same way as the old age pension, which took ninety thousand people off the unemployment dole, was a useful help.

Then there is the suggestion of better provision for old age. That is somewhat ambiguous. Judging from the notice of motion which the Prime Minister gave the other day, although it is mixed up with several other subjects, there is almost the suggestion that the old age pension might be connected with a contributory system also. If that is the intention I very much regret it, and would feel compelled to oppose it, and I will oppose it to the bitter end. It is no use telling men or women who are old and destitute and feeble that they should have done something in their younger days— that "if you had done something, as I did, or somebody else did, when you were young you would not be in this position to-day, and because you did not, you must starve now." That is not the view that humanitarianism suggests. You have the old and destitute people on your hands and you have to take some care of them, and my suggestion would be—I hope this will be developed into the policy when the bill is brought down—to reduce the age for receiving the pension from seventy to sixty. I know that that would add enormously to the expenditure. To reduce the age from seventy to sixty-five would also add very considerably to the expenditure, but is it not better to have a man from sixty to seventy years old idle, even though we are paying him an old age pension, than to have the young man from twenty to thirty years

idle in a camp? The man who has worked until he is sixty will not get into any mischief, and a rest is at that time of life appropriate, but the young man of from eighteen to twenty-eight, if he has not learned to work by then, will never learn to work; the only thing he will learn will be to become either a hobo or a criminal. I can speak feelingly of that because I have passed through the experience of being idle as a young man, and there was no relief and no dole then. I learned from my own experience and that of my friends how insensibly one can deteriorate in a period of idleness. In six weeks a man becomes a potential hobo, in six months a potential criminal. I say again, let the old man lay off and receive an old age pension. That would be far better and far cheaper than having the young fellow of from twenty to thirty years idle in a camp, learning nothing but everything that is bad. But whatever age is decided upon, I repeat that the scheme will have to be on a non-contributory basis after a certain age, because we have to deal with things as they are and not with them as they should be.

Then again the speech makes reference to action that will be taken—

> —to ameliorate the conditions of labour, to provide a better and more assured standard of living for the worker, to secure minimum wages and a maximum working week, and to alter the incidence of taxation so that it will more directly conform to capacity to pay.

With regard to the minimum wage I must be on the alert, coming from British Columbia, to say that unless it is arranged in the form of a sliding scale I would be compelled to criticize it very strongly. There would have to be recognition of the fact that our standards in British Columbia are very different from those in the province of Quebec. I do not suggest that they are inferior in Quebec; I merely say that the cost of living is higher in British Columbia, and we cannot afford in that province to accept as a minimum a standard that would be acceptable in the province of Quebec. I am not in a position to quote ordinary articles of food, but take a cheap car, for instance: it costs from $200 to $250 more in British Columbia than in the province of Quebec. That is only an illustration. We cannot afford in British Columbia, with our high cost of living as compared with Quebec and the eastern provinces, to accept the same minimum wage standards.

Reference is also made to the adoption of a maximum working week. I am heartily in favour of that. I have advocated it for years as the real solution for the unemployment caused by intensive machine production. During the war the production by machinery was speeded up to such an extent that it far overtook the hours of work. The hours of work were not shortened in accordance with increased production by machinery. In the past that was done gradually, but during the war machinery was so speeded up that the shortening of hours did not keep pace with it, and it is decidedly a very necessary thing to adopt maximum working hours. It is one of the biggest things that could be done to promote better conditions.

But I cannot read that sentence without thinking of the conflict that is inevitable in connection with provincial and federal jurisdiction. It is all very well for people to get on the platform and say, "If the constitution gets in the way, so much the worse for the constitution." That sounds very nice, but we do not want to be put in the position they are in across the line where almost a catastrophe will happen if the decision of the supreme court in the gold case is against the policy which the United States government has adopted. These things must be considered. It is no use passing legislation and having a nice catchy policy if later on it is going to be ruled out by the supreme court or by the privy council.

The speech goes on to say that measures will be enacted to safeguard the consumer and the primary producer. I am glad to hear that the consumer is going to have a look in, because I did not see much provision for him in the marketing act, for instance, that we passed last year. The primary producer is certainly entitled to have recognition. I would rather have seen notice given by the government that they proposed to make substantial amendments to the marketing act in order to render it workable, which I submit it is not. We have heard a great deal about the benefits conferred by the act, but they are all in the future. What particular product in Canada to-day has been materially benefited by the enforcement of the Marketing Act?

Mr. HACKETT: Tobacco.

Mr. NEILL: It may be so. I will not oppose the hon. member's suggestion, because that is not a matter with which I am familiar. As far as I know the only progress made in British Columbia under the act is to appoint half a dozen people with high salaries, and apparently there is some provision for getting government assistance for propaganda. Imagine those who want to get up an agitation for

some particular form of marketing board being subsidized by the very people who are opposed to that propaganda! They on the other hand, without cohesion and without union or funds, have to oppose it as best they can, and very often they are in practical ignorance of the thing until the paid propagandist who hopes to get a position under the particular scheme, has put it over.

I had also hoped to see in the speech an intimation that the government proposed to amend the Canada Shipping Act which was introduced last year and which was flopped through the house without anything like due consideration. I predicted then that we would be meeting this year to amend it, as it certainly needs amending. I myself have brought matters before the Minister of Marine, urging his earnest and immediate attention, and if it is not too late yet, I would like to see proper amendments made to that act this session.

I have just a few other words to say, and I do not think I would have troubled the house at all if it had not been for the notice given by the Prime Minister the other day that the United States propose to negotiate a trade agreement with the Dominion of Canada. That is one of the most vital things I think to the whole of Canada, but certainly to British Columbia. I remember three years ago, or it may have been two, advocating reciprocity between the two countries, and I remember some of the British Columbia papers alluding to my action as if I had taken my life in my hands and had shown a great deal of courage, indicating that I had rather more courage than sense. What I then pleaded for and urged to be considered was reciprocity in fish and lumber, and I might add copper and some forms of paper. I know that the present Minister of Finance (Mr. Rhodes) when Minister of Fisheries, was fully seized of the advantages of having a reciprocal deal in the matter of fish. I believe that had he remained Minister of Fisheries possibly something of that kind would have benn achieved. At any rate, I want to be the first, so there may be no doubt or obscurity in the matter, to bring to the attention of the Prime Minister, British Columbia's needs in the way of reciprocity along those lines.

Of course by the word "reciprocity" I do not mean that they should let our fish in and we should let their fish in, because naturally when there is a movement from one country to the other there is hardly likely to be any movement of the same commodity in the opposite direction; it would have to be compensated for by allowing some United States product of a different character to come into our country. But I repeat that if the Prime Minister could negotiate a treaty giving us access to the United States market with our fish and lumber, we would forget all about the Russians wanting to sell lumber to Great Britain. That would give us a market right at our door, where we can sell the kind of lumber we want to cut, and where we can send it cheaply and profitably. Wages in the British Columbia lumber camps would go up to-morrow if it were believed that we would have reasonable access to the United States markets.

I believe the same is true, though now I am speaking of something with which I am not so familiar, in connection with copper. There is a threatened shut down at present of one of the largest copper mines in British Columbia, largely, I believe, due to our inability to ship copper to the United States market. I believe newsprint is allowed free entry to that market, but I understand there are some forms of paper as well as pulp on which there is a duty. If the Prime Minister could give us a reciprocal deal of which our fish, lumber, copper and some forms of paper and pulp would form a substantial part, I can assure him that we in British Columbia would rise up and call him blessed.

Mr. MacINNIS: Mr. Speaker, owing to the lateness of the hour and the sparseness of the attendance in the house, I would ask you to call it eleven o'clock.

Some hon. MEMBERS: Go on.

Mr. SPEAKER: I can hardly call it eleven o'clock except with the unanimous consent of the house.

Some hon. MEMBERS: Go on.

Mr. ANGUS MacINNIS (Vancouver South): Mr. Speaker, I wish to take advantage of the opportunity afforded by this debate to draw attention to the forgotten man. I am referring now to the men in the national defence concentration camps. This matter was brought to the attention of the house yesterday by a question asked by the hon. member for Vancouver Centre (Mr. Mackenzie), to which the Minister of National Defence (Mr. Stirling) replied. Having taken some interest in these men and having been closely connected with them when they came to Vancouver some time in December, I wish to direct the attention of the house to the situation which prevailed there and to the situation prevailing in regard to the men in these concentration camps.

The telegram which was read yesterday by the Minister of National Defence was from the Prime Minister of Canada to the attorney general or the premier of British Columbia, I am not sure which; in any case it went to the government of British Columbia. That wire shows that there was an arrangement, a conspiracy if you like, between the federal and provincial governments to force these men, by starving them, to go back into the camps without having any of their complaints investigated. In that telegram I find this statement:

> Later a conference was held between Attorney General Sloan, Mr. Griffiths, provincial administrator, and a representative of military district number eleven, at which it was made clear that the only means for keeping men in the camps was the guarantee that they could not obtain relief elsewhere.

That is a striking point. We are dealing with men, with human beings like ourselves. Yet at this conference, which vitally affected these men, they were not called in, though they had representatives who might very well have been invited to participate. That is a point which substantiates the statement I made, that these men were forced to either go back to the camps or to starve on the streets. Very fortunately, possibly, these men came into the city of Vancouver at about the Christmas season, when possibly we are inclined to have a little greater feeling of humanity than ordinarily may be the case, a time when peace and good will towards men is more prevalent than it is at other times. Very shortly, and possibly immediately, after the men came to the city of Vancouver the council of social agencies, not a radical organization at all, interested itself in the men and made provision for keeping them. That is what the wire of the Prime Minister objects to more particularly.

Very shortly after that, these men came to an organization to which I belong and asked for our assistance in order to help them rectify some of the conditions which they maintained prevailed in the camps. We took up this matter, and here may I say that in taking it up we had the wholehearted cooperation of the Liberal members of parliament for greater Vancouver, of the Liberal members of the legislative assembly, and of the Vancouver city council. It was quite easy to see that the military authorities, with the cooperation of the federal and provincial governments, were trying to create a situation under which these men would be driven back to camp by force. It was only through the intervention of those I have already mentioned, together with other citizens, that a reasonable and satisfactory solution was reached, under which these men went back to camp without some trouble occurring.

The men asked for an investigation. It was stated that anyone could go and investigate these camps. We had a similar situation in regard to the penitentiaries, and the same statement was made. Now we find, according to the speech from the throne, that some reform is to take place in connection with our penitentiaries. Surely when complaints are made the easiest way to ascertain whether or not they are well founded is through an investigation by reputable citizens. That is all these men were asking.

The Prime Minister also states in his telegram:

> We think it most undesirable that agitators should destroy the value of the camps which have been provided for homeless single men, and we seek your earnest cooperation to the end that the agitators may be dealt with by the attorney general's department as provided by law.

It is the easiest thing in the world to call a man an agitator if we are not in accord with what he says, but we have various kinds of agitators. As a matter of fact we had a very able agitator in this dominion prior to the election of 1930, but instead of dealing with him as agitators are usually dealt with we made him prime minister. We had similar agitators in the province of British Columbia, and we made them the government of that province.

I have listened to the complaints of some of these men. It was suggested that when they asked for a little more syrup on their mush in the morning they were considered agitators. Well, I know the consternation that takes place in institutions of this kind when someone asks for a little more of something. Those of us who have read Oliver Twist will remember the consternation that was caused in the workhouse when he asked for more soup. What a terrible thing it was! Possibly Oliver Twist and others needed the soup, and possibly these men needed some more syrup and other things mentioned. But we cannot find what the needs are unless an investigation is held by reputable investigators.

Now as we are on the verge of having what may be called a new deal, I suggest that the first movement in a new deal is to treat human beings as human beings regardless of their station in society. We shall have to treat the unemployed man as a human being just as we treat members of the chamber of commerce or of the Canadian Manufacturers' Association; otherwise there is nothing to our so-called new deal or reforms.

I am of course greatly pleased at the evident swing to the left which has taken place in

this dominion during the last few weeks. Possibly we in this corner of the house should feel gratified that many of the contentions which we made are to-day substantiated by those who at other times opposed us. I think it was towards the end of the session of 1932 that the hon. member for East Hamilton (Mr. Mitchell) asked the Prime Minister whether it was his intention to put legislation on the statute books to institute a six hour day. The Prime Minister remarked on that occasion that the government had no intention of doing anything of the kind. He said that as we were an exporting nation it was impossible for us to shorten the hours of labour and compete with the rest of the world in the world's export markets. He made the same statement in Montreal after his return from Great Britain in 1933, in reply to a question as to whether we could expect in Canada something similar to the NRA in the United States. In 1932, after he had made that statement, I made a prophecy which has to some extent been fulfilled. I said. Hansard, 1932, P. 3429:

> While the government at the present time state that they have no intention of bringing down legislation with respect to a six hour day, let me say that this administration are doing many things that they had no intention of doing in 1930, and they will do many things in the next few years that they have no intention of doing this year. And still they will not be able to keep ahead of the game.

That is, keep ahead of collapsing capitalism. And they will continue doing it. The longer that capitalism continues the more will these reforms be necessary. It is quite amusing to see how easily the words "capitalism" and "capitalist" roll off the Prime Minister's tongue at this time, but I have been waiting for someone to give us a definition of capitalism. So far as the people outside are concerned, it might be some sort of breakfast food. We have not heard what it is. What are the particular faults that are developing in it? As I look over the many members of the Conservative party I think particularly of my friend from Toronto Northwest (Mr. MacNicol), who stood up last session and maintained that these conditions which are causing us so much concern were not the fault of the capitalist system, which was perfect. However, when his leader tells him that the system is not perfect he agrees quite heartily and there is no more about it.

But what is this capitalist system, and in what respect does it differ from other social systems that have existed heretofore? What are the peculiar characteristics that make it inoperative at the present time? It is rather difficult to find in the dictionary any very concise definition of capitalism, but I have a definition which I believe can be accepted by hon. members:

> Capitalism is a system under which the instruments of production are privately owned by a limited class, and most men get their living by selling their labour to an employer for a wage.

It goes on to say:

> Modern capitalism is based on large scale power production and the gathering of capital (means of production) into large masses under joint stock ownership.

This definition is taken from How Capitalism Works by G. D. H. Cole. I think there is a slight error in the last part of the definition. What the wage earner sells to the capitalist is not his labour but labour power. Labour is the misery he goes through while delivering his labour power, as clearly demonstrated by the evidence brought out before the price spreads and mass buying commission. What the labourer sells is his life's energy, his labour power—and this he sells at a price, wages, in order to make a living.

What are the peculiar characteristics of capitalism which have caused the dislocation of ordinary business such as we find all about us to-day? One of the first characteristics is that there is continually and ever present a tendency towards concentration of capital in fewer and fewer hands, and in this dominion as well as in other parts of the world that concentration has almost reached its limit. The total wealth of Canada as represented by the assets of all its transportation systems, its utilities, mines, construction equipment, pulp and paper and industrial plants of all kinds and wholesale and retail stores, according to the latest statistics available at the end of 1933, amounted to $10,662,526,000. The survey of corporate securities of Canada published by the Financial Post of Toronto lists 325 corporations operating in these fields, which alone account for $8,800,000,000, or all but a small fraction of the total wealth of this dominion in the means of production which I have just indicated. The one hundred largest non-banking corporations in Canada have total gross assets amounting to seventy-five per cent of all the wealth in this country, represented by all enterprises, whether corporate or non-corporate, engaged in transportation, construction, mining, public utilities, merchandising and manufacturing of all kinds. Those one hundred largest non-banking corporations dominate every major and essential Canadian industry upon which we depend for food, clothing and communication. Someone suggested this afternoon that the alternative at the present time was between socialism and democracy. This would seem

to imply that we can have democracy under capitalism. Is this democracy when the great bulk of the means of wealth production, the means by which the people in this country live, is concentrated in the hands of very few people, less than one hundred, in this dominion? I said less than one hundred; it is approximately fifty men or, as someone has called them, Canada's fifty "big shots" who through interlocking directorates control the majority of those one hundred large corporations and their numerous subsidiaries.

Just to show the house how this concentration has been going on and the power that is vested in the hands of a few people, I will give a few figures. I believe it was mentioned yesterday that the key to a solution of our problems was control of the money power, whatever that means. I suppose we have a money power in this dominion but we also have control of industry in almost the same hands as the control of finance. For instance, let us take Sir Charles Gordon a banker. Does anyone suggest that if you took the power of Finance away from Sir Charles Gordon he would be any more benevolent as an industrialist? Would he deal as an industrialist any more kindly with his employees than he does as a financier with the rest of the Canadian people? One can say the same thing about the rest of them. Let me give a few instances of the power wielded by a few of those individuals. Sir Herbert Holt is a director of the Royal Bank of Canada; until recently. I believe, he was president of that bank. He is a director in eleven financial institutions, three insurance institutions, five transportation institutions, seven public utilities, two pulp and paper organizations, four merchandising and sundry institutions, six mining organizations, three construction institutions, fifteen manufacturing institutions, in all a total of fifty-six companies representing a total capital of $4,764,577,000. That is one man, controlling almost one-half of the capital of $10,000,000,000 which I have already mentioned. Then we have the second one, William A. Black, a director of five financial institutions, one transportation, three pulp and paper, one merchandising and sundry, two mining, one construction, seven manufacturing, or twenty institutions in all, representing total assets of over $1,000,000,000. Then we take the next one, Sir Charles Gordon, also a banker, I believe, president of a bank, a director of five financial institutions, three insurance, two transportation, one public utility, one pulp and paper, one merchandising and sundry, three mining, fourteen manufacturing, with total capital assets of $3,735,000,000. These figures give some indication of the concentration of capital that is going on and has gone on within this dominion, and that almost completely controls the whole of our industrial life—the lives of our people controlled by less than one hundred men. That is one of the peculiar characteristics of capitalism, the characteristic that differentiates capitalism from all the other systems of society that have preceded it.

Mr. MACDOUGALL: What is capitalism?

Mr. MacINNIS: I have already twice stated the definition of capitalism, and if my hon. friend cannot catch my words, he can wait until to-morow when he can read them in Hansard. Why is capitalism falling down at the present time? What are these faults that have grown up in capitalism in the last few years? As a matter of fact there is not in capitalism to-day a single fault that is not inherent in the system, that was not in it from the first beginnings of it and will continue as long as capitalism continues. But certain things are necessary for capitalism to continue, and while I am dealing with this I do not wish to say that capitalism has not performed useful functions; it has some achievements to its credit. Possibly it was necessary as an evolution in social organization, because without capitalism we might never have been able to advance to a better form of organization than we now have. It has built up the capital structure by which human society lives possibly better than any other system could or would have done. In any case it has done that and for that reason we may thank capitalism for what it has done for us. But just because capitalism served us well at one time, and just because comparatively few people in the social organization are benefiting from it even now, is no reason why capitalism should continue. I submit that no matter how favourably we may receive the proposals put forward by the present Prime Minister in the speech from the throne, they are nothing but an attempt to rescue capitalism and to try to make it work.

I shall continue my remarks at the next sitting.

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

Wednesday, January 23, 1935

The house met at three o'clock.

BUSINESS OF THE HOUSE

SUGGESTED PROCEDURE TO EXPEDITE CONSIDERATION OF MEASURES RELATING TO SOCIAL AND INDUSTRIAL REFORM

On the orders for motions:

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 to 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.

[Mr. MacInnis.]

MAIN ESTIMATES, 1935-36

RESTORATION TO CIVIL SERVICE OF HALF OF TEN PER CENT SALARY DEDUCTION

A message from His Excellency the Governor General transmitting estimates for the financial year ending March 31, 1936, was presented by Hon. E. N. Rhodes (Minister of Finance) and read by Mr. Speaker to the house.

Hon. E. N. RHODES (Minister of Finance): Mr. Speaker, in moving that these estimates and the accompanying message be referred to the committee of supply, as I now do, I beg to say that to facilitate the preparation of these estimates and to enable them to be presented to the house at the earliest possible moment, they have been prepared on a basis of the current year containing a provision for a salary deduction of ten per cent for those who receive salaries in excess of $1,000 per year.

As stated to the house on previous occasions, it is the desire of the government to make complete restoration at the earliest possible moment, the governing factor being the revenues available.

In view of the present state of the revenues, the government proposes to submit a measure which will provide for a restoration of one-half of the deduction from April first next.

The government is fully aware that salary deductions have in many instances caused inconvenience and in some cases perhaps hardship, and it is, therefore, most appreciative of the manner in which on the whole the position has been accepted by the civil service.

Motion agreed to.

PRECIOUS METALS MARKING ACT

Hon. R. B. HANSON (Minister of Trade and Commerce) moved for leave to introduce Bill No. 2, to amend the Precious Metals Marking Act 1928.

He said: Mr. Speaker, as every hon. member is aware the Precious Metals Marking Act is a very technical piece of legislation and has to do with the protection of the public in connection with the markings on articles made of precious and other metals. There are a number of changes all of which are technical and minor in character, and one section relative to the subject matter of evidence.

Motion agreed to and bill read the first time.

INTERPRETATION ACT

Hon. HUGH GUTHRIE (Minister of Justice) moved for leave to introduce Bill No. 3, to amend the Interpretation Act.

He said: The purpose of this bill is to amend the section of the Interpretation Act which defines the word "holiday." In the definition in the present act Remembrance day is omitted and this bill is merely to place Remembrance day on the list of public holidays.

Motion agreed to and bill read the first time.

REPRESENTATION ACT

Hon. HUGH GUTHRIE (Minister of Justice) moved for leave to introduce Bill No. 4, to amend the Representation Act, 1933.

He said: Mr. Speaker, the object of this bill is to amend that section of the Representation Act which deals with the two ridings known as East Hamilton and West Hamilton appearing in the act passed in 1933. At the time of the passage of the act in that year it was assumed that the boundaries of the city of Hamilton were those which had appeared in the former act passed by this house. As a matter of fact the city of Hamilton had changed its boundaries in the interval, and the division made of the city of Hamilton in that act is not in accordance with the actual boundaries of the city. This amendment is to correct the error.

Motion agreed to and bill read the first time.

CRIMINAL CODE AMENDMENT

Hon. HUGH GUTHRIE (Minister of Justice) moved for leave to introduce Bill No. 5, to amend the criminal code.

He said: Mr. Speaker, the object of the proposed amendment to the criminal code is to adopt in the province of Saskatchewan in criminal cases a jury of six instead of a jury of twelve, the provision which pertains in all provinces save in the province of Alberta. Because of an amendment to the criminal code, for a period of about fifteen years a jury composed of only six members has been used in the trial of criminal offences in the province of Alberta. The attorney general of Saskatchewan has requested on behalf of his government that a similar amendment be made to the code providing for a jury of six in the trial of criminal cases in that province.

Motion agreed to and bill read the first time.

PENSION ACT AMENDMENT

Hon. D. M. SUTHERLAND (Minister of Pensions and National Health) moved for leave to introduce Bill No. 6, to amend the Pension Act.

He said: Mr. Speaker, under the Pension Act as it now stands there is power to appoint up to twelve pension commissioners, but for a period of only seven years. The pension commission tell me the work is such that more help is needed, but they do not think it will be necessary to have that help for seven years. In this bill power is asked to appoint a certain additional number of commissioners.

Motion agreed to and bill read the first time.

QUESTIONS

(Questions answered orally are indicated by an asterisk.)

UNEMPLOYMENT RELIEF*

Mr. POULIOT:

1. Did the Right Hon. R. B. Bennett declare before the Toronto Conservative Business Men's Club on January 19, 1932: "Every cent of the $20,000,000 voted by parliament for unemployment relief at the September, 1930, session had been of incalculable value?
2. Was that sum of $20,000,000 entirely spent?
3. If not, what proportion of it was spent and why was it not spent in full?

Mr. BENNETT: The question should not be on the order paper. It is not a proper question.

Mr. SPEAKER: Stands.

ST-ROCH DES AULNAIES, QUE., WHARF

Mr. FAFARD:

1. What quantity of stone was used for the repairs to the wharf at St-Roch des Aulnaies, county of L'Islet, Quebec, during the year 1934?
2. What price was paid for the said stone?

Mr. STEWART (Leeds):

1. 240 yards.
2. $1.05 per yard.

ADMIRALTY ACT

Mr. BOULANGER:

Has the Admiralty Act of 1934, chapter 31 of the Statutes of Canada, 1934, been put into force?

Mr. GUTHRIE: No.

TISDALE, SASK., POST OFFICE

Mr. WOODSWORTH:

1. What was the contract price for the post office at Tisdale, Saskatchewan?
2. To whom was the contract let?
3. If sublet, to whom and at what price?

Mr. STEWART (Leeds):

1. $25,247.

2. Wilson & Wilson, Ltd., 1363 Albert st., Regina, Sask.

3. Contract not sublet. Final estimate paid to Wilson & Wilson, Ltd.

MELFORT, SASK., POST OFFICE

Mr. WOODSWORTH:

1. What was the contract price for the post office at Melfort, Saskatchewan?

2. To whom was the contract awarded?

3. If sublet, to whom and at what price?

Mr. STEWART (Leeds):

1. $37,900.

2. J. McDiarmid & Co., Winnipeg, Man.

3. Contract not sublet. Final estimate paid to J. McDiarmid & Co.

QUESTIONS PASSED AS ORDERS FOR RETURNS

SUBSIDIES AND STEAMSHIP SUBVENTIONS

Mr. REID:

1. What was the total amount of subsidy and steamship subvention paid from April 1, to December 31, 1934, to shipping concerns, agents or others, operating from the Pacific coast ports of British Columbia?

2. What are the names of the firms to which such money was paid, the amounts paid to each, and for what service in each case?

Mr. HANSON: Return tabled herewith.

PENSION COMMISSION

Mr. MACKENZIE (Vancouver):

1. How many cases have been heard by the Canadian Pension Commission since its inception to date: (a) by quorums in the field; (b) by full commission?

2. How many cases are now awaiting: (a) hearing; (b) decision after hearing before quorums in the field or before the full commission?

3. How many cases have been appealed by the reviewing officer to the Pensions Appeal Court since he was appointed? Of such cases, how many appeals have been: (a) allowed by the Pensions Appeal Court; (b) rejected by such court; (c) referred back to the Canadian Pensions Commission?

4. How many appeals have been heard by the Pensions Appeal Court since the date of appointment, and of such (a) how many have been allowed; (b) how many rejected; (c) how many referred back to the Canadian Pensions Commission?

5. How many cases are now before the Pensions Appeal Court awaiting (a) hearing; (b) decision after hearing?

6. How many pension cases is it anticipated that will require adjudication: (a) by the Canadian Pensions Commission; (b) by the Pensions Appeal Court, during the calendar years 1935 to 1936?

[Mr. Woodsworth.]

MOTIONS FOR PAPERS

BEAUCEVILLE, QUE., WHARF

Mr. LACROIX:

For a copy of all correspondence, documents and report of the auditor general, respecting the wharf (crib-work) at Beauceville, on the Chaudière river in the parish of St-François, Beauce county.

ANTIGONISH, N.S., POST OFFICE

Mr. DUFF:

For a copy of all correspondence, letters, telegrams and other documents, as well as reports from officials of the department during the year 1934-35, regarding the dismissal of John C. McDonald of St. Josephs, Antigonish county, Nova Scotia, from the position of postmaster at that place, and all correspondence and documents regarding the appointment of his successor; also reports giving the reasons for the removal of the office to the south end of the district.

HORNBY SETTLEMENT PLAN

Mr. STEVENS:

For a copy of the following schemes for local settlement under the Hornby plan for empire migration: (a) Nova Scotia: Cumberland county Amherst district; (b) New Brunswick: York county, district of Harvey; (c) Quebec: Compton county, Richmond county, Missisquoi-Brome; (d) Ontario: Stormont county, Oxford county, Brant county (municipality of Burford); Glengary county; (e) Manitoba: Birtle district; (f) Saskatchewan: Wolseley district, Melfort district, Lashburn district; (g) Alberta: Brooks district, Mayerthorpe district, Grande Prairie district.

FIRST NARROWS BRIDGE, VANCOUVER

Mr. MUNN:

For a copy of all correspondence between any member of the government and any other person or persons or corporation, with reference to the application made under the Navigable Waters Protection Act for the construction of the First Narrows bridge at Vancouver, British Columbia.

TRANSPORTATION OF WHEAT

Mr. REID:

For a copy of all correspondence, letters and telegrams exchanged between the Canadian National Railways and the Canadian Pacific Railway Company and the hon. the Prime Minister and the Minister of Railways from October, 1934, to date, relative to the carrying of wheat for export and sale to the United States, either through the port of Vancouver or any other port.

FRASER RIVER BRIDGE

Mr. REID:

For a copy of all letters, telegrams, correspondence, reports, including reports, if any, made by the district engineer of New Westminster and the harbour commissioners of New Westminster, from January, 1934, to date in connection with an application made by the

provincial government of British Columbia for the construction of a bridge across the Fraser river at New Westminster.

TRACADIE, N.B., LAZARETTO

Mr. VENIOT:

For a copy of all correspondence, reports and other documents, including a statement of the results of any examinations by the Civil Service Commission during 1934, in connection with the appointment of an assistant engineer at the lazaretto, Tracadie, New Brunswick.

SHIPPEGAN, N.B., WHARF

Mr. VENIOT:

For a copy of all tenders in connection with the construction of a wharf or extension of wharf at Shippegan, Gloucester county, New Brunswick, during 1934.

PRIVILEGE—Mr. BOULANGER

Mr. OSCAR L. BOULANGER (Bellechasse): I rise to a question of privilege which concerns not only myself but every member of this house. I refer to the right of members of the House of Commons of placing questions on the order paper, and I have in mind two questions which appear under my name, No. 13 and No. 14, in which I ask whether the Admiralty Act of 1934 and the Canada Shipping Act of 1934 have been put into force. What appears on the order paper is only half of the questions which I sent to the clerk of the house to be placed on the order paper. Half of my question has been removed. The questions have been amputated and mutilated without my knowledge or consent. Of course, I understand that any question of mine or of any other member of the house must conform to the rules of the house before it appears on the order paper. But whether any question is in conformity with the rules of the house is for you, Mr. Speaker, to decide and for no one else; and it is for you to decide the matter in the House of Commons and not in camera in order that, if I am not satisfied with your decision, I may appeal from you to the house. I was not interested in ascertaining whether these acts had been put into force or not—I knew that already. I was interested to know why, for what reasons they have not been put into operation; and that part of my inquiry has been omitted from my question without my consent or knowledge. I submit that this practice, which has obtained for a long time in the house, is not a proper practice; it is not the regular practice, it is not the legal practice, and it is not the courteous practice.

Mr. SPEAKER: With much of what the hon. member has said I quite agree. I thank him for calling the matter to my attention, and it will receive the consideration which it deserves.

Mr. McINTOSH: That is a good decision.

A CANADIAN FLAG

PROPOSAL FOR A NATIONAL EMBLEM ON WHICH UNION JACK SHALL BE CONSPICUOUS

Mr. C. H. DICKIE (Nanaimo) moved:

That, in the opinion of this house, a national flag representing the Dominion of Canada should be adopted; and that in any design for a Canadian flag the union jack must be conspicuous.

He said: Mr. Speaker, I anticipate that objection will be taken to this resolution by some hon. members, by contending that the union jack is ample for the requirements of Canada. The seconder of this resolution, the hon. member for Mount Royal (Mr. White), and I have lived at least as long as anyone else in this assembly under the aegis of the union jack and there is in the house no one who has a greater appreciation of and a more profound regard for the union jack than have the mover and seconder of this resolution. We consider, however, that having reached the full status of nationhood, Canada should have a distinctive flag of her own. People will say that the union jack is good enough. This does not detract in any way from our regard for the union jack, but we think we should have a distinctive flag that we can call truly Canadian.

Australia and New Zealand under practically the same conditions as we are, years ago decided that they should have distinctive flags of their own, and no objection was raised to their doing so. Each of them has now a beautiful, artistic flag of which they are very proud. New Zealand and Australia have each a blue flag with the union jack in the upper corner and the beautiful constellation of the Southern Cross on the fly. I contend that we have a perfect right, without any regard to the College of Heralds, to have a flag somewhat along those lines. At the present time the only flag we have for Canada is that known as the red ensign. In 1892 the Dominion government passed a regulation allowing the arms of Canada to be placed on the red ensign for mercantile purposes. It has since been contended by many that we have no legal right to fly the red ensign on land as we are doing at present, so why not have a flag that we can be proud of, that we can fly on all occasions, and especially when our doing so will not detract one iota from our regard for the union jack?

Obviously, if this resolution should carry, as I hope it will, a committee will be appointed to consider the design of a flag. It is premature at this time to consider what that design would be more than what I have suggested in the house. I am, however, impelled to say that my opinion would be that a flag consisting of a bright delphinium blue ground on which would be placed the union jack in a dominant position in the upper corner next the staff and on this blue fly an autumnal-coloured maple leaf, would be artistic and beautiful, would appeal to all our citizens, and would be a source of inspiration to our school children. We would be pleased indeed to see a flag along some such lines adopted. The design however is to be a matter for further consideration and it is not necessary to take up any more of the time of the house now. When this debate closes I of course reserve to myself the right to make explanations and perhaps enlarge further on arguments in favour of the resolution before the house.

Mr. R. S. WHITE (Mount Royal): Mr. Speaker, I can add little to the remarks of the hon. member for Nanaimo (Mr. Dickie) and to those addressed to the house on this subject in previous sessions. I am well aware that in a matter of sentiment that dearly touches the heart of every British subject, logic has a poor chance of success. But I would say to those who think so, it is not proposed by the resolution in any way to destroy, weaken or detract from the flag under which we have lived for many centuries and which we reverence in our hearts.

There is nothing new in this suggestion. Canada to-day has a Canadian flag floating upon the sea and differing in appearance from the union jack of Great Britain by reason of having upon the fly the dominion coat of arms. If there be no objection in sentiment or for any other reason to a distinctive flag upon the sea, what objection in logic can be made to a distinctive flag upon the land? Other parts of our empire have their own distinctive flags. South Africa, Australia, New Zealand and for all I know, possibly some other parts of the British commonwealth have their own distinctive flags, and if we in Canada desire to have a union jack which, upon some part of it will indicate that it represents that portion of the British commonwealth which we call Canada, we are certainly not parting with a flag we reverence and we certainly are not breaking the bonds of empire.

I recall, in speaking of the flag, a remark of the Hon. Alexander Mackenzie who for five years was Prime Minister of this country, and who attended a dinner given in the city of Saint John in 1876 to the United States consul of that city. At this dinner was present Mr. James G. Blaine, subsequently a Republican candidate for the presidency of the United States. Behind the head table was displayed the flag of the United States and the flag of Great Britain. Mr. Mackenzie in referring to them said, I hope that the amity and peace which the two countries have enjoyed for so many years will continue in perpetuity, and their flags be entwined in harmony, the one bearing upon it the evidence of the might of the Creator, the starry heavens, and the other the emblem of His greatest work, the redemption of man. A very beautiful description, it seems to me, of the flags of the two countries. I would be among the last to suggest or approve any action that would in any way whatsoever mutilate that flag.

The union jack itself is a product of evolution. It has not always been the flag that it is to-day. Cross upon cross has been added. All that is proposed is that upon the union jack there shall be placed, instead of the coat of arms of the dominion, which is indecipherable and not by any means a thing of beauty or a joy forever, some emblem such as the maple leaf that will typify Canada, so that the flag will proclaim to all who view it that it represents that part of the British empire which is called Canada.

Mr. CAMERON R. McINTOSH (North Battleford): Mr. Speaker, the resolution moved by the hon. member for Nanaimo (Mr. Dickie) and seconded by the hon. member for Mount Royal (Mr. White) is not anything new in the way of a flag resolution in the House of Commons of this country. Practically the same resolution has been before the house for years. Last year there was a vote taken on the question. In 1933, and for years before, I had the honour to move a resolution with regard to the same subject. The position I took in 1933,—the same as the position I take to-day,—was that because of the economic situation prevailing in Canada the question of a distinctive national flag for Canada might remain in abeyance at least for a year or more. My reason, as put on record at that time, was that we ought to devote ourselves with all earnestness and expedition to ameliorating social and economic conditions in the country. To-day all I desire to do is to draw the attention of the house to the fact that the resolution is not a new resolution. I might say that in one regard the resolution

now before us is weaker than the one last year, because in the last line the hon. member for Nanaimo would appear to be compromising on the position of the union jack in Canada's national flag. I wonder if that is part of the government's reform program.

Mr. ERNST: Do you want the resolution carried in regard to a Canadian flag?

Mr. McINTOSH: What I want is, as expressed in the resolution of other years, that the union jack occupy the position of honour. With that view practically every member of His Majesty's loyal opposition voted last year for the resolution as moved by the hon. member for Nanaimo, but this year as I have mentioned it would appear that he is compromising on the importance of the union jack in Canada's national flag.

In conclusion may I say that I am not going to debate the matter at present, all I want to say is that the program of social and economic reform mentioned by the Prime Minister and backed apparently by the government should be brought down in this house without a moment's delay, and that we are ready to back that platform as far as it is correct and in the interests of all the Canadian people. I am in conformity with the statement of my leader when I say that there should be no time lost, that program of reform ought to be brought down promptly, and because of the urgency for action in this regard, this flag resolution should be held in abeyance for the time being.

Miss AGNES MACPHAIL (Southeast Grey): Mr. Speaker, just in order to make it unanimous I wish to say how very heartily I approve, and I am sure all in this corner approve, of a national flag for Canada. The fact that we have not had one I think is an indication of our lack of nationhood, that we are still toddling and not walking. If we were not afraid of being ourselves I think we would have had a national flag some time ago. I for one do not think that it would have affected Canadian loyalty to the British empire. I think that now everyone has arrived at that conclusion, that we really can have a flag of our own and still not declare to the world that we fear that by doing so we shall endanger the British empire. Therefore, I just wish to say these few words in support of the motion. Possibly to take a vote on it will occupy such a little time that it would not unduly delay the reform program.

Mr. J. R. MacNICOL (Toronto Northwest): Mr. Speaker, the resolution before the house is, as the hon. member for North Battleford (Mr. McIntosh) said, one that has been introduced here before for a number of sessions. It is getting to the stage of becoming a hardy perennial. If this country were not in the state that it is at the present time, along with all the rest of the world, such that we should be devoting every moment of our time to the consideration of matters designed to relieve unemployment and other pressing questions, it would be all right to spend time on a resolution of this nature, one that is more or less educational. However, as the resolution is on the order paper I believe that it should be discussed, and I say right at the beginning that I am opposed to the resolution.

An hon. MEMBER: He is from Toronto.

Mr. MacNICOL: Some hon. gentleman on the opposite side said something about my home city. It is a great city, and I do not need to rise in this house and express its sentiment in this regard. That sentiment is for the union jack, as I believe is well known. Each city has as much right to its own opinion in regard to our flag or in regard to any other matter as any other city. I do not look upon this as a question to be discussed from the standpoint of the city from which a member comes, or from the standpoint of patriotism either.

A moment ago it was said that logic will not enter into this discussion. I propose to use only logic in arguing that the situation in Canada, so far as the flag is concerned, should remain as it is at present. I have made some study of the origin of flags, as perhaps other members have. So far as I can ascertain the first mention of flags, emblems or ensigns is in the second chapter of Numbers, verses 1 and 2:

> And the Lord spake unto Moses and unto Aaron, saying, Every man of the children of Israel shall pitch by his own standard, with the ensign of their father's house—

As I see it, the flags that we fly in Canada pertain to the flags of the houses of the fathers of at least the two great major races in this country, and there is nothing on those flags to offend any other race.

Mr. DUFF: They might put on a burning bush.

Mr. MacNICOL: Such a design might be offered if this question went to a committee. Later on I will point out what happened when resolutions of this nature were sent to committees of other houses, and designs came from those committees.

Lately I have noted that the university expeditions to Egypt to search into the antiquities of that country, as well as those to Syria, have discovered that away back before Father Abraham went to Egypt, which was long before the reference I gave to Moses and Aaron, the countries of that day did have emblems and ensigns. So far as our ensigns and emblems are concerned, the cross of St. George which appears on our flag was introduced into England by the Norman-French king Richard I in 1194. On that cross as the previous speaker said, the other two crosses of St. Andrew and St. Patrick later were superimposed.

Reference has been made to the flags of the other commonwealths of the British empire; it has been inferred here that the other dominions have flags that are distinctive of the particular country or nation concerned. I believe that I will be able to prove that this statement is not one hundred per cent correct. Let us take, for instance, the commonwealth of India. After the debate in the house last session I took the trouble to write to all the various commonwealths so that I would have the latest information when this hardy perennial came up again this year, and I hope that after this debate the question will not come up in this house again for some considerable length of time. In India they have several flags. In 1863 the governor general of India was given a special flag of his own which consisted of the union jack defaced with the star of India and the Tudor crown. I do not like the expression "defaced"; I would rather use the word "superimposed", but the official description is as I have given it. About 1920 the governor general's flag of India was decreed to be the official land flag of India, and the flag to be flown wherever Indian representatives were in residence outside the borders of that country. But over the courts and the district sessions of India the official flag is the union jack; that flies on land in that country. Over the government marine of India, which in 1928 was ordered to be of the combatant class, they fly two flags. At the head of the mainmast they fly the royal navy emblem; from the gaff they fly the viceroy's flag, called the union viceroy flag of India. On the Indian merchant marine, however, we have the identical flag that is flown on ships sailing from Great Britain. They have nothing superimposed on the flag in that case; perhaps they are not as well off as we are, if there is any choice. So in India they have the union jack and the union viceroy flag, while on water they have the regular red ensign of Great Britain.

[Mr. MacNicol.]

Someone said something about New Zealand. It is a fact that both New Zealand and Australia have changed their flags. Personally I like them both. I like our own Canadian flags better, but so long as those flags suit the New Zealanders and Australians it is quite all right. It has been said that we want a distinctive flag. Will anyone say that the flag of New Zealand or the flag of Australia is peculiarly distinctive to those commonwealths? On each flag they have a southern cross, as they see it. It is different on each flag. But the southern cross applies to every nation in the southern hemisphere. South Africa, Chile, the Argentine, or any other southern nation would have as much right to place the southern cross on its flags as our two sister commonwealths have. The official land flag of New Zealand is the blue ensign with the New Zealand southern cross on the fly thereof which consists of four five-pointed stars. On this blue flag they use red stars with white borders, and it is their government marine flag, too. The red ensign with the same cross is their merchant marine flag. Australia uses the same flags, but on the Australian flags appear the Australian southern cross, which consists of five white stars; then beneath the union jack itself they place a sixth star. They fly their blue ensign on land and on government marine, and their red ensign on the merchant marine. In the case of Australia, however, there is a slight difference from New Zealand. In Australia, wherever the governor general or the lieutenant governors of the states are in residence, they fly the union jack. So in Australia, as I understand it, they have two official flags, though the one generally recognized is the blue ensign.

I believe, though I am not sure, that something was said about South Africa. The situation is not so happy in that country. A resolution of this nature was sent to a committee in South Africa, and they recommended a design which, while it is the official flag, according to my information is not one hundred per cent popular in that country. It seems to me I read somewhere that when the debates were taking place in the house in South Africa one member after another rose and said: "We must have the union jack occupying a large portion of the flag we propose to fly." We hear that same kind of talk in this house, but, Mr. Speaker, there is no telling what sort of report and what sort of design a committee would recommend to this house. In South Africa the committee recommended the adoption of this flag which I hold in my hand, and which

is now one of their two official flags, and how much of that flag does the union jack occupy? Only one eighty-first part, and no one can tell how little space the union jack would occupy in a design that might be recommended by a committee of this house.

I have here pictures of flags from all over the world, and many of them are simply bars of various colours. Very few of them have anything distinctive of their respective countries. I have pictures of the flags of Guatemala, Cuba, Bulgaria, Albania, Czechoslovakia, Germany, France, Manchukuo, The Netherlands, Jugoslavia, the Soviet republic, and Spain, and there is nothing on any of these flags, as I see them, that is particularly distinctive of the country over which they fly. The Irish Free State has a flag of its own, but it is not distinctively Irish. It consists of three perpendicular bars. I say again, Mr. Speaker, that once a resolution of this kind is sent to a committee there is no telling in advance what sort of flag that committee will recommend for adoption by parliament, no more than could be told of several other parliamentary committees in other parts of the world which have reported on a similar resolution.

Newfoundland, which is the oldest of all the dominions, has identically the same flags as Canada, barring, of course, the shield on the fly. The shield on the fly of Newfoundland's merchant marine is the shield of Newfoundland, and so is the shield on the fly of their government marine flag, just as the Canadian merchant marine flag and the Canadian government marine flag have on the fly of each the shield of Canada.

I want to say a word about the shield of Canada. It was stated a moment ago by a previous speaker that our coat of arms was not a thing of beauty or a joy forever. I have made a survey of the coats of arms of most nations, and in my humble opinion —I say it with all due respect—the coat of arms, the shield of which is on the Canadian marine flags is one of the finest coats of arms in the world, and the tradition of which goes farther back into history than almost any other. It goes right back to the very dawn of our official flag.

On the shield of our coat of arms in the upper left-hand canton are depicted the three golden lions of Normandy, brought from the ancient French province of Normandy with William the Conqueror, and first inscribed on our flag by Richard I of England. I am told that a large percentage of that great race of people who settled and developed and now inhabit our great province of Quebec can trace their origins back to old Normandy in France. Certainly the upper left canton of our coat of arms thus goes right back to France. In the upper right canton we have the lion of Scotland; in the left centre canton we have the harp of Ireland and in the right centre canton the fleur-de-lis, first placed on the British flag by Edward III in honour of the French princess who was his mother. Beneath these four cantons we have something else that is distinctively Canadian, more Canadian than the southern cross is distinctive of Australia or New Zealand. We have the three maple leaves, representing Canada, and I submit, Mr. Speaker, that without question it is a most historic and a most beautiful shield, and it is placed on the fly of each of the two marine flags of Canada.

To revert to South Africa, South Africa has two official flags. They have the South African union flag, which I have in my hand, and the union jack. The law of South Africa provides that the two flags are to fly side by side. But their marine flags are identically the same as ours, apart from the fact that the South African shield appears on the fly of each.

In Great Britain itself they have the red ensign for merchant marine use, the blue ensign for their government marine service, and the white ensign for the navy, and on land the union jack.

This movement for a new flag is one that was introduced into this house by the hon. member for North Battleford (Mr. McIntosh), and it has now crossed, I am sorry to say, from your left, Mr. Speaker, to your right. The agitation has continued for some little time. I wish now to read one or two letters in connection with it. The first is a letter sent by the Native Sons of Canada to the Sons of England Benefit Society, Toronto, as follows:

Dear Sirs,—

In view of the need of a distinctive Canadian national flag, the national council of the Native Sons of Canada presents for your consideration and for the purpose of discussion the enclosed design.

Here is the design, two bars with a maple leaf imposed on a star in the centre. The maple leaf itself is not altogether distinctive of Canada because the United States has maple leaves too; this design is not as distinctively Canadian as the shield that is superimposed on Canada's two marine flags, on which there are three maple leaves, and the fleur-de-lis, representing one of the great races that have been mainly instrumental in settling this country.

What was the reply to that letter? The Sons of England Benefit Society wrote under date of February 5, 1934, as follows, in reply to the letter from the Native Sons of Canada:

The copy of the proposed Canadian national flag was duly received and considered, and I was instructed to advise you that the members of the supreme council of the Sons of England Benefit Society are strongly opposed to any change in our flag, feeling that the union jack is good enough for Canada and is a flag that we are proud to live under.

I should like to read a letter in reply to the foregoing which may give an insight into what may be behind this agitation, although I should like to have it understood that I am not imputing any particular motive. I would ask hon. members to listen to this letter:

Toronto, February 6, 1934.

Supreme Secretary,
Sons of England Benefit Society,
Toronto.

Dear Sir:—

We wish to thank you for your letter of February 5 in which you state that you are strongly opposed to any change in our flag, feeling that the union jack is good enough for Canada and is a flag that we are proud to live under.

So far, we have not raised any question in regard to the union jack but, as you bring the matter up, we would like to point out to you that there has been a change in the constitutional position of Canada in the past few years because on December 11, 1931, was passed the statute of Westminster which established the British commonwealth of nations and as a result of which Canada is no longer a part of the British empire.

Canada, Mr. Speaker, is a part of the British empire, and I hope it will long remain part of it.

An hon. MEMBER: Who signed the letter?

Mr. MacNICOL: It is signed by Frank G. J. McDonagh, national secretary. But I have not read all of it; the rest of it may provoke further questions. The letter continues:

Canada is no longer a part of the British empire but is a nation member of the British commonwealth of nations and an equal partner in the same. There is a distinct feeling in Canada that there is nothing in the union jack in any way Canadian in the sense that a national flag should represent the sovereignty of the people.

Our flag goes back a long way into the history of the two great races which early formed this country. The first cross on our flag, St. George's, came from Normandy and was placed there in the year 1194 by the Norman King of England, Richard I. The letter continues:

The union jack represents the sovereignty of the people of the united kingdom and neglects anything concerning Canada, when it is considered as a flag that is good enough for Canada.

Listen to this:

Some years ago, when there was a discussion as to a Canadian flag, certain organizations, among which I believe was your own, took the stand that the union jack should be the sole national flag for Canada and the thought occurs to me that possibly, because of the stand of your organization and some others, the union jack may be forced off the Canadian flag.

What would happen to a resolution of this kind if it were sent to a committee a principal member of which had in his mind forcing the union jack off the Canadian flag? I have great respect for the views expressed by other hon. members in this connection. I know that they are as loyal as any people could be, and I do not approach the subject from the standpoint of loyalty; that does not enter into the discussion. I take the stand that our marine flags are distinctively Canadian, perhaps more so than the flags of either Australia or New Zealand are of those dominions, and just as distinctive as one of the flags of India. One Indian flag has superimposed upon it what represents the sun, and the sun shines over the whole of the earth's surface. The two Canadian marine flags are not only distinctive of our national races but emblematic of Canada.

If the union jack which flies across Canada were in competition with the flags of other countries on this continent there might be some cause for agitation to pull it down and place another in its place. But there is not. The fact is that there is no competition in the north half of America with the union jack. We are told that because of necessities of our three legations we should change our flag. I communicated with the Department of the Secretary of State and was informed that our Canadian merchant marine flag, the red ensign with the shield of our coat of arms upon it, is the flag which flies over those legations, including the high commissioner's office in London. I should be very sorry, Mr. Speaker, to see pulled down that flag which has flown over this country for so long, merely to meet the fancied needs of our legations.

Mr. VINCENT DUPUIS (Laprairie-Napierville): Mr. Speaker, I rise at this time simply to give to hon. members sitting to your right some advice which may shock the Prime Minister. I should like to tell them in this connection to follow the policy of laissez-faire. It is all very well to talk about flags and to advance a policy of flag waving for the next

election, but to my mind there is something higher and more important than the emblem, no matter how interesting and worthy of respect it may be. We must think of bread and work, and money in the pockets of our Canadian people. If hon. members opposite have any flag to offer I will suggest that they place upon it a loaf of bread, a pie and a shovel.

It is easy to understand the tactics adopted by hon. members opposite. I shall take my seat very shortly and they may proceed to do whatever they wish, but I must say it would appear that they are not prepared to proceed with their policy. Our revered chief urged them to proceed, but they have not done so. I say they have not because they are not ready. Hon. members sitting on this side are ready to do something for the Canadian people, but our friends opposite talk about flags because they are not ready. So far as the flag is concerned I would suggest that for the time being we let well enough alone. Let us at this time follow the policy of laissez-faire, so far as the flag is concerned and do something for our Canadian people. Some hon. members urge that this is not a government motion. Hon. members sitting around me know very well that our friends opposite are simply talking about nothing at all so they may have time to proceed with their policy. Why did they not adopt the motion of last year which was presented by an hon. member on this side of the house?

Mr. ERNST: He did not make it last year.

Mr. DUPUIS: Yes he did.

Mr. ERNST: No, he did not; it was made by the hon. member for Nanaimo (Mr. Dickie).

Mr. DUPUIS: He made it two, three and four years ago.

Mr. ERNST: And before you were in the house.

Mr. DUPUIS: During those years the misery of the Canadian people was not as great as it is this year. We need work; we need bread; we need something that will rescue the Canadian people. Do it now and leave the flag alone.

Mr. T. L. CHURCH (East Toronto): I am surprised to see that a resolution of this kind should come before the house, and I am equally surprised that my old friend from Mount Royal (Mr. White) should second it. The old flag, the old leader and the old policy were good enough for the Liberal-Conservative party of this country and it should be good enough now. This house may pass all the resolutions it likes with regard to changing the flag, but the people of Ontario will continue to fly the union jack whether this house likes it or not.

This is not a new subject in this house. It came up ten years ago when the Liberal government of that day appointed a commission of several civil servants to bring in a proposal with respect to changing the flag. There is no demand in Canada for a new flag. This is the first private members' day and it might as well be the last so that we may get down to the business of the country and do something to hoist the flag that will restore the hope, character and livelihood of thousands of farmers, industrial workers and miners and their families.

I am opposed to this resolution as I was opposed to a similar proposal thirteen years ago, and I am opposed to it especially at a time like this when the union jack should be Canada's only flag. At the present time Canada has only one flag, and she has only one national anthem, namely, God Save the King. We have these two essentials to-day and I hope it will be a long time before they are changed; because after all the country does not belong to those who inhabit it to-day: it is an inheritance from the past. It is a possession for the present and a trust for the future. I doubt whether some hon. gentlemen who are supporting the resolution to-day would be sitting in this house if they had advocated it in 1930.

Let us first get rid of the red flag of communism in this country; secondly, let us get rid of the black flag of unemployment; and let us restore Magna Charta. I often wonder whether there is any real Magna Charta to-day, when I see on York street and on many other streets in the city I come from the red flag of the bailiff hoisted up not only over retail stores but in the homes of the people in York and in many other counties throughout Ontario.

It would be far better for this house to get down to business and do something practical than trying to discuss academic theories such as this. The old union jack was good enough for 500,000 Canadians who went to France and Flanders, and of whom 100,000 lie buried in that land; and if it was good enough for the soldiers who fought the battles of this country, for you and me, it should be good enough for those who stayed at home and now propose a new flag.

I find no demand in the country for this resolution. We have been told that our wonderful merchant marine—part of the bank-

ruptcy of the Canadian National Railways—has a distinctive flag. Well, it has also a red flag, written in red in the bookkeeping of the Minister of Finance. Let us get down to brass tacks and do the thing for which parliament has been called, namely, to solve the economic abuses that exist in this country. Everyone is agreed that the old world has got itself into the greatest muddle in its history. We are all full of complaints and want changes; no one is satisfied; people all want to be reformers and each has a different solution. We have proposals to coordinate, nationalize, internationalize and denationalize all at one and the same time, and to many people in this house the past is nothing but error.

As I said before, this is not a new question. It came up on June 17, 1925 as will be found in Hansard of that year at page 4364, from which I quote the following:

National Flag for Canada

Mr. Church:

1. Will the government lay on the table of the house the text of a copy of order in council appointing a committee to select a distinctive Canadian flag for use ashore?

2. Who is asking for such a Canadian flag and for such a change, and why?

3. Is the union jack not Canada's only official flag, and was it not the one used by the Canadian expeditionary forces overseas in France, and since Canada has been a British possession?

4. Will an opportunity be given to the house to discuss such an unnecessary innovation in view of Canada having no land army and no fleet whatever except the proposed Petersen fleet?

5. Is such a change of policy not for parliament to decide instead of the governor general in council?

6. Will any legislation be introduced as to such a proposed change this session?

7. Will the government also introduce legislation or rules to regulate the use of American and other foreign flags in Canada?

Right Hon. Mr. Mackenzie King: No committee has been appointed for the purpose of selecting a Canadian flag. A committee of public servants has been appointed to consider and report upon a suitable design for a Canadian national flag, but the government has taken no action of any kind towards committing either the government or parliament to the adoption of a national flag. I will read to the house the text of the order which it has been requested to have laid on the table:

Certified copy of a minute of a meeting of the committee of the Privy Council approved by His Excellency the Governor General on the 23rd April, 1925.

The committee of the Privy Council have had before them a report, dated 21st April, 1925, from the Minister of National Defence, stating that a distinctive Canadian flag has been authorized to be used by Canadian government-owned vessels and by other vessels of Canadian registry, and that there is throughout the country a desire that there should also be adopted for use ashore a distinctive flag which shall be recognized as the flag of the Dominion of Canada.

The minister, therefore, recommends that a committee be appointed to consider and report on the most suitable design that should be adopted for a Canadian national flag for use ashore, and that this committee be composed of the following:

G. J. Desbarats, Esq., C.M.G., Deputy Minister of National Defence, Chairman.

Thomas Mulvey, Esq., B.A., K.C., Under-Secretary of State.

A. G. Doughty, Esq., C.M.G., LL.D., Dominion Archivist.

Commodore Walter Hose, C.B.E., A.D.C., Director of the Naval Service.

Major General H. A. Panet, C.B., C.M.G., D.S.O., Adjutant General.

Group Captain J. S. Scott, M.C., A.F.C., A.D.C., Acting Director of the Royal Canadian Air Force.

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

The leader of the Liberal party is in the house at the present time and it is only fair to read what he said then, because I do not believe that he would have supported such a change at that time.

Hon. members will see that all that has been done has been to refer to this committee of civil servants the question of considering a suitable design for a national flag. Representations have been made to the government from different quarters that there are throughout the country a considerable number of people as well as various organizations who feel that Canada, like Australia, South Africa and other of the self-governing dominions, should have ashore a distinctive Canadian flag as she already has on the high seas.

She may have a distinctive Canadian flag on the high seas, but she has no fleet to protect us in time of trouble, no fleet to protect our trade routes.

The government has simply referred, and intends to refer to this committee, for purposes of study and report, the different suggestions that have been or may be made in that regard. I might mention, for example, that the Native Sons of Canada, an organization, I understand, having headquarters in British Columbia, has offered a prize for the best suggestion as to a suitable Canadian national flag. A short time ago, during the present session, I had a letter from the Right Hon. Mr. Fielding, Minister of Finance, expressing very strongly the view that Canada should have a flag of her own and accompanying the letter was a flag which Mr. Fielding himself had designed and which he said he would like to have considered when any discussion with respect to the possibility of a Canadian national flag might come up. I think I need only mention Right Hon. Mr. Fielding's name in this connection to indicate clearly that those who have views with respect to a Canadian national flag along lines similar to those adopted by other of the self-governing dominions are not to be assumed as in any way wanting in sympathy with, or loyalty to, the mother country in the matter of the flag.

Le me make it clear that this committee is simply a committee to study and report.

Well, we will be reporting on the black flag before long if we do not do something to aid employment. I was glad to see this party the other day hauling down the old flag of laissez faire in this country and adopting a flag for doing something for the workers. After all is said and done, the Conservative party, the founders and authors of protection, should not see it made the farce it is, and the consumer and labourer should be protected. We want something more practical like that, a flag emblazoning as a party policy the old square deal flag of Theodore Roosevelt and the new deal flag of Woodrow Wilson.

I am absolutely opposed to any change in the flag we have. It is only fair to the leader of the opposition (Mr. King), the then prime minister, that I should read the last two or three paragraphs of his reply, because I might be doing him an injustice if I did not read them at the present time in view of what has gone on before. He said:

> Let me make it quite clear that this committee is simply a committee to study and report. The government has no intention of taking any action in this matter without taking parliament fully into its confidence. Any report that is made will be submitted to parliament at a time when this matter may come up for discussion. There is, I think, on the order paper at the present time a resolution in the name of an hon. member suggesting that the house should consider this matter. It may be of advantage to the house to have before it, when a motion of this kind is being debated, the different suggestions that may have been made, and something in the nature of a report on the part of a representative committee such as the one here referred to. That is the sole and only object of the order I have read to the house. I do not hesitate to say that the government would not for a moment consider adopting a national flag other than by resolution of this house and the full sanction of the parliament of Canada. But surely that question can be referred to in a calm manner as one worthy of consideration. . . . Speaking for myself, may I say that while I am able to sympathize with the point of view which would have for Canada a distinctive national flag, just as Australia, South Africa and other of the self-governing British dominions have their national flags, I would be proud and happy to have Canada continue in the future as in the past to have the union jack recognized as the national flag, moreover, I would not lend my support to any proposal which did not include the union jack as the most distinctive feature of any national flag that at any time it might be proposed to adopt.

Those are the views of the Liberal leader. This putting of the union jack on a new Canadian flag is simply the thin end of the wedge; it is what has been done in this country in the past ten or fifteen years and what in this house some twelve years ago I called separatism. The only ties that bind us to the mother land are those of race and blood; that is all. I might also mention the appeals to the privy council which some would like to eliminate as well. We are not a nation. It was said that Sir Wilfrid Laurier made us a nation. We are not a nation because we cannot protect our trade routes. We are to-day sponging upon the British taxpayers for our maritime freedom; we are depending upon them for their boats to keep open our trade routes. While we are talking of getting more trade, in time of trouble we have to run to the motherland. Nearly 100,000 Canadian ex-soldiers last August were in the city I come from for a week, and it was said in the hotels that $5 would cover all the damage they did while they were there. They were consulted on this matter and they were practically unanimous against making any change in the flag which they carried in Flanders and France for the people of this country.

I am absolutely opposed to the resolution and I doubt even if this parliament passes it, whether it would be recognized by any large body of public opinion in this country. I doubt whether they will even fly the flag on St. James street, Montreal. There are more important matters that might be considered instead of wasting the time of this honourable house in academic discussions about a flag, especially when we are not a nation and we have no navy to protect our shores except a few boats about the size of those one sees in the canal outside the Chateau Laurier. That is the type of boat the people of Canada have for preserving maritime freedom, yet we are talking about adopting a flag for our merchant marine. I have never been on the high seas. True it is, many hon. members have taken the opportunity in the recess of parliament to become international statesmen by going over to the League of Nations and possibly they have seen the flag of the merchant marine flying on the Atlantic, the Pacific, the South Australian ocean and all the oceans bordering on the seven seas, but this is no time for the passing of this resolution and if it is passed I believe the new flag will never be flown to any extent in the soldier province of Ontario.

Mr. W. G. ERNST (Queens-Lunenburg): Mr. Speaker, the only consideration that impels me to take part in the debate at this time is the attitude of the hon. member for Toronto Northwest (Mr. MacNicol) and the hon. member for East Toronto (Mr. Church). May I first make a passing reference to the specific suggestion made by the hon. member for East Toronto? He said in his rambling address, "Let us restore the Magna Charta

to this country," and I noticed that those across the way applauded, led by the ex-Prime Minister (Mr. Mackenzie King). I can quite understand that, because I know the leader of the opposition is familiar with the Magna Charta and the whys and wherefores of it. He knows it has long since been disproved that the Magna Charta was a charter of liberty to the people at large and that it was only a written guarantee for the privileges of the barons. I understand the applause of hon. gentlemen opposite.

With reference to the attitude taken by the hon. member for Toronto Northwest and by the hon. member for East Toronto, they tell us that they are interpreting public opinion in the city of Toronto. I prefer to believe and to hope they are not, but if they are, I can only say: Good Lord, deliver us!

Mr. MacNICOL: On a point of privilege, I did not at any time during my remarks say that I was representing public opinion in Toronto. Someone on the opposite side said something about Toronto and I said that the question was not one of Toronto at all.

Mr. ERNST: I am glad the hon. member says that he was not representing Toronto public opinion, because I am satisfied he was not.

Mr. MacNICOL: The hon. gentleman may like to quibble a little bit, but I did not use that expression at all. I represent a riding in Toronto. What I said was that I was not speaking as representing the public opinion of Toronto. Toronto has its own public opinion and the people there can speak for themselves.

Mr. ERNST: To come back to the subject, it seems to me that when those who talk against a Canadian flag say they are talking logic they are begging the issue. I have as much regard for the union jack, despite my name, as any other hon. member. Indeed, I am rather proud of the name, because I believe the name itself goes to show that those who originally came from foreign lands, or the descendants of those who came some generations ago, can make as good Canadians as those born in Great Britain, and speak English as well; I might flatter myself that they sometimes speak even more intelligible English than those born north of the Tweed.

There are two reasons, which seem to me unanswerable, why this country should have its own flag. The hon. member for Toronto Northwest touched on one. He said: We have four legations. Over those four legations we are flying the emblem of the Canadian merchant marine, which has no sanction and no validity from this parliament. We are flying that emblem in order to distinguish our legation from the British embassy or legation. I wonder if it is any more illogical or unreasonable to ask the people of Canada to have a flag of their own than to represent in Tokyo that a flag which is not the flag of Canada is the flag of Canada. That is what we are doing when we fly the red ensign. Is it any more illogical to tell the people of the United States when we fly a flag which is not the flag of Canada that it is the flag of Canada, than to have a flag which is truly the flag of Canada and which we can honestly fly? Anyone with vision must see that this country, having embarked on a policy in foreign affairs, having ventured outside its own doors, having established legations in Paris, Tokyo and Washington, must go further and that as time goes on we shall be having legations in practically every country of the civilized world. If that does come to pass it will irresistibly follow that this country must have a flag to tell these people that it is the flag of Canada. I for one believe that that flag ought to have as its chief and most conspicuous part the union jack, and no one can say that the resolution does not say that. The hon. member for Toronto Northwest is in a state of fear and trembling lest some committee be appointed that would not include the union jack as part of the flag, although the last paragraph of the resolution says:

> And that in any design for a Canadian flag the union jack must be conspicuous.

Not one eighty-first part, as he gave by way of illustration, but conspicuous. I know there are strong feelings in the matter in some parts of the country, but I am satisfied that what the people who hold these strong feelings are afraid of is not that we shall have a Canadian flag, but that we shall do away with the union jack. They do not want to have a Canadian flag in which the union jack is not predominant. What they desire is that we shall have in that flag something which is symbolic of empire, and the reverence for the union jack is a reverence for empire.

I come now to my second reason why this country should have a flag of its own. We are a great but scattered country. I believe even those who come from Toronto will admit that there are eight other provinces in Canada and that without them it would not be Canada. Those provinces, stretching as they do across this great country from ocean to ocean, have conflicting interests. It is impossible to have one common economic

interest from Halifax to Vancouver. The interests of Nova Scotia cannot be identical with those of Ontario—

Mr. COTNAM: How do you explain that?

Mr. ERNST: I do not want to elaborate. They are identical in that they are Canadian, but I am speaking now in a purely and technically economic sense. The interests of Ontario or British Columbia are not identical with those of the prairie provinces. And when those interests conflict, as they sometimes do, it is necessary, and must be as long as Canada is to remain a country, to bind it together by compromise. Under these circumstances I conceive that a common symbol which we all recognize as Canadian is something worth while, and a flag is such a symbol.

The same thing applies to race. We have in Canada two great races. Much of the tradition behind them differs, but the future which lies ahead ought to be a common future. If we had a flag to which they both could look, typifying Canada, it would help to weld those two great races in Canada into one. No policy can work in this country if, as has happened in the past—some of us here are not free from sin, and some hon. gentlemen on the other side also have tried to do it—we play one part of this country against another. If we go on doing that we shall destroy it. I for one want a flag to make my people realize that they are part of Canada and not of Nova Scotia alone.

When I hear the hon. member for Toronto Northwest talk about the five hundred thousand Canadian troops overseas, may I say that I was one out of the many. It is true we marched under the union jack, but of all the tunes to which we listened there was none that gave the thrill or throb of O Canada. I venture to say further that had we had a flag which was typically Canadian we would have been proud of it, and would have carried it with the same distinction with which we carried the maple leaf upon our shoulders. I do not want to discard the union jack; I believe firmly in the empire as being a benefit to the world and necessary to peace, but if Canadians are to be Canadians they must be Canadians as well as British citizens. If this country is to endure we need some symbol which is Canadian and Canadian only.

Mr. JAMES ARTHURS (Parry Sound): Mr. Speaker, I had no desire to intervene in this debate but at the same time there are a few words I wish to say. The previous speaker has given only one reason why there should be any change in the flag of this country. He says there are four legations in foreign countries which fly a flag which is not rightly nor legally theirs. Who is objecting to this? The people in Japan or France or any of these other countries? I have heard of no objection from any of them. They are quite content to use the Canadian legation in those countries whatever flag flies over it.

For many years this proposal has been a hardy annual in this parliament—a great many more years perhaps than I care to look back upon. It has always been brought forward by hon. gentlemen who had some particular flag in their mind, and we have been pressed and harassed for years by people seeking our approval of their designs. Well, I do not claim to represent people as intelligent as they perhaps have in some parts of Nova Scotia, who can teach us how to speak English and that sort of thing, but I have yet to find a man in my riding who has any desire for a change in this flag. It is recognized in Canada that on our merchant ships we have the emblem sanctioned by parliament, and that our flag for use on the land is the union jack. We who went overseas were glad to go under that flag, we were proud of the flag, as are Canadians and Britishers the world over. A man who has been in a foreign country, and who, on approaching his own, sees for the first time the flag waving on the shore, is proud of his British connection. If he is a Canadian he does not need any distinctive flag for that purpose. With all this in my mind, and the union jack having been our flag for so many years, I still admit that something might be done to ease the mind of those who are so anxious for a change. Consequently I personally would be agreeable to amend the motion now before the house. Therefore I would move, seconded by Mr. Garland (Carleton):

That the motion be amended by striking out the last paragraph; and

Adding to the first paragraph the words "which shall be the union jack, upon which for use on marine vessels and for extraterritorial places the word 'Canada' and/or such national emblems as this parliament may approve may be placed, but such word and/or emblems shall not occupy more than one-eighth of the surface of the flag.

Mr. DAVID SPENCE (Parkdale): Mr. Speaker, I think it is regrettable that so much time should be lost in this house in discussing unimportant questions of this kind, and I call this matter unimportant. It has been introduced repeatedly since 1921 from both sides of the house but, as some hon. members

have said, I do not think there is any demand for a change except from one or two hon. members themselves. I very much regret having to go against the two estimable gentlemen who moved and seconded the resolution, but I have opposed this proposal on all occasions and I intend to oppose it again to-day, without regard to who moved and seconded it. Some may have thought that because the resolution was moved from the other side of the house in other years I was opposed to it for that reason only, but that is not so.

I have travelled over a large part of this world by land and sea; always I have been proud to be a Britisher and under the old union jack. I see no reason why we should not be satisfied with that flag. I do not think anything of an irritating nature should be introduced in this house at this time. This is the wrong time for that sort of thing. Changing the flag is not going to bring better times. We should be devoting our time to improving the conditions of the good people of Canada. God knows they need it. This depression is lasting too long. I do not believe it is with the approval of the Prime Minister (Mr. Bennett) that so much time is being lost in the discussion of the question of whether or not we should change our flag. We should be satisfied with what we have, as the hon. member for Toronto North-west (Mr. MacNicol) and the hon. member for East Toronto (Mr. Church), have said. My hon. friend from Queens-Lunenburg (Mr. Ernst) made a very good speech, but I cannot agree with all he said. I think we should get down to business and do something in the interests of Canada instead of losing time talking about a new flag that will not put a bite in the mouth of anyone who is hungry.

Mr. GEORGE SPOTTON (North Huron): Mr. Speaker, as this is my first opportunity let me congratulate you on your appointment to the position of Speaker of this house, for which you are eminently fitted by training, talent and temperament.

I do feel that if I remain silent at this moment I might be misunderstood by the people of my county. I have heard no one in the county of Huron suggest that he was too good for the union jack or that the union jack was not good enough for him. While I have remained silent year after year when this question was under discussion, believing there was no danger of any action being taken, because of the temper of the chamber to-day I feel that I must place myself on record on this occasion. It is only too true that we might be better engaged in doing something which would relieve the suffering of our people, instead of being engaged in this discussion, but since this matter is under consideration I feel that it is of sufficient importance to warrant my taking up some of the time of the house.

I notice that hon. gentlemen opposite are very impatient and, indeed, are determined that they shall direct the course of this house. They forget, of course, that there was an election in 1930; they think they are still in the saddle. They are trying to tell this house what it shall take up and when, and during the recent by-elections in the province of Ontario they were trying to tell this government when the next election should be held. I well remember in the session of 1930 that when the then Prime Minister gave notice that he was going to dissolve the house and appeal to the country I said to one of his ministers, "Do you not think you are making a mistake in going to the country now, when conditions are not good?" He said, "Oh, no—

Mr. SANDERSON: On a point of order, Mr. Speaker—

Mr. SPOTTON: —"we are just on the slide down, and conditions will be much worse next year. Therefore we are going to the country now."

Mr. SANDERSON: I rise to a point of order.

Mr. SPEAKER: Order.

Mr. SPOTTON: Then when it comes—

Mr. SANDERSON: My point of order is that the hon. member for North Huron (Mr. Spotton) is entirely out of order in discussing, on the resolution now before the house, when an election will or will not take place. He is not speaking to the resolution at all.

Mr. SPOTTON: I am explaining the attitude of the speakers on the other side of the chamber.

Mr. SANDERSON: I want your ruling, Mr. Speaker.

Mr. SPEAKER: I do not think the hon. member has been out of order as yet.

Mr. SPOTTON: I was going to say, Mr. Speaker, that I presume this government will settle the matter of an election when they get ready. It is their job.

Mr. SANDERSON: On another point of order, Mr. Speaker, I submit that the hon. member for North Huron is entirely out of order in discussing when an election may take place, on a resolution such as this.

Mr. SPEAKER: I am still of the opinion I expressed a moment ago, that the hon. gentleman is in order.

Mr. SPOTTON: Consequently, after we have sat here for the last four years and allowed His Majesty's loyal opposition to fill the press of this country, to poison the wells of information, to scatter about this land misrepresentations of my leader, during this session I propose on every occasion to tell the people of this dominion what this administration has done. Hon. gentlemen opposite went to the country because conditions were going to be worse.

Mr. MACKENZIE KING: On a point of order, Mr. Speaker—

Mr. SPOTTON: Now they wish us to go to the country because they fear conditions are going to be better later on.

Mr. MACKENZIE KING: The resolution—

Mr. SPEAKER: The hon. member will please speak to the resolution before the house.

Mr. MACKENZIE KING: That is the point.

Mr. SPOTTON: Having finished that, Mr. Speaker, I wish to say that I am proud to be a citizen of Canada, if that will meet with the approval of the leader of the opposition (Mr. Mackenzie King). I am also proud to be a citizen of the British empire, and having a dual citizenship, of which I am thoroughly proud, and having lived under no other flag, I cannot follow two flags. The union jack is good enough for me and I propose to do everything I can to oppose any insidious attempts to weaken the British connection. Perhaps, Mr. Speaker, I shall be called to task for this, but since we are discussing the flag, and since members of the opposition are trying to direct me in the manner in which I shall speak, let me say that we have long been told that trade follows the flag.

Mr. POULIOT: The manner or the banner?

Mr. SPOTTON: Trade follows the flag. A wayward child who leaves a good rural home and goes to the city may forget to write home or to visit his parents. Having found new friends with whom he dines and wines, everything is fine as long as he has money to spend, but it usually happens that when he gets out of work he starts to write home and—I am not ridiculing him for it—comes back and puts his feet under the parental table. During the last regime practically all the trade routes of this country were closed. We lost the market to the south of us; we lost markets all over the world. Nation after nation erected trade barriers, quotas and the like, and then in times of dire distress we as a nation, which is just a collection of individuals, did like the individual of whom I have spoken—we turned our eyes to the motherland and the union jack. When the outside world turns its back upon us we can only look to the motherland, and, sir, they came over, with the union jack. I suppose, Mr. Speaker, I shall have to do like the radio announcers do, call out the station now and then in my remarks, but my subject for the moment is that trade does follow the flag. Consequently trade follows the union jack. As a result of the bringing together of the family of nations of the British commonwealth, first in the old land and then here, we had the empire trade agreements, and the union jack was the flag that was flying over them.

To prove that trade follows the flag, and particularly the union jack, so far as Canada is concerned, I wish to compare our exports to the motherland in 1934 as against 1933, to prove as I say that trade follows the flag. I did not propose to take this strain until my speech was attempted to be directed for the first time in my life by friend or foe, and so I think I am perfectly within my rights.

The answers are inspiring in so far as Canada is concerned; and very significant in so far as the Imperial Trade Agreements go. It is enlightening to deal item by item with several of these scheduled commodities, showing the increase in values of exports to the United Kingdom in the period of a single year:

Commodity—		Exports, 1933		Exports, 1934
Fresh apples	bbls.	1,677,000	bbls.	3,057,000
	$	6,930,000	$	11,400,000
Canned pears	lbs.	3,900,000	lbs.	7,180,000
Canned salmon	$	1,985,000	$	2,600,000
Bacon and ham	$	3,430,000	$	12,360,000
Eggs	$	4,000	$	400,000
Butter	$	350,000	$	665,000
Fish (fresh and frozen)	$	410,000	$	790,000
Timber (including partially manufactured wood)	$	5,066,000	$	11,950,000
Copper (primary forms)	$	4,460,000	$	6,635,000
Copper (rods, sheets, etc.)	$	1,370,000	$	3,170,000
Pig lead	$	1,810,000	$	3,280,000
Zinc (and products)	$	1,900,000	$	4,300,000
Asbestos	$	85,000	$	315,000

An hon. MEMBER: What about lobsters?

Mr. SPOTTON: They mostly remained at home. Then mark this: Of bacon and ham we exported $3,430,000 worth in 1933 and $12,360,000 worth in 1934. Of eggs we exported $4,000 worth in 1933 and $400,000 worth in 1934. Of butter we exported $350,000 worth in 1933 and $665,000 worth in 1934. Of timber we exported $5,000,000 worth in 1933 and almost $12,000,000 worth in 1934. Now if there is no further suggestion as to the direction of my speech I shall finish that part of it, but if not, I shall leave it aside for the moment. We might be better engaged at the moment if there was no danger of unholy hands being laid on the union jack.

I think, sir, that Tennyson in the long ago, looking beyond the hills, foresaw the recent drawing together of the commonwealth of nations. You know there have been Liberal speakers in the recent by-elections who twitted some of us because we never mentioned the name of Bennett. Well, if that did happen it certainly did not happen with me. As an old Presbyterian I believe that the Lord has always raised up a man in every crisis in the British empire who has been big enough to pull that part of the empire through, and I believe verily that he always has a man in the making. It may be that Bennett's work might be soon finished, like Lloyd George or Kitchener, or many other men I might mention, but for the moment let me just say this. The mover of this resolution said how enthusiastic it would make the school children of this dominion for Canada to have a flag of her own. I am afraid, Mr. Speaker, that the mover and seconder of this resolution have not been in touch with school houses or school children for a long time because love of the flag and loyalty to the flag is interwoven in all our school literature. Tennyson long ago said:

> Sharers of our glorious past
> Brothers must we part at last?
> Shall we not through good and ill
> Cling to one another still?
> Britain's myriad voices call
> Sons be welded one and all,
> Into one imperial whole,
> One with Britain, heart and soul;
> One fleet, one flag, one throne
> Britons hold your own!

Mr. SANDERSON: Will the hon. member permit a question? I would ask the hon. member for North Huron, now that he is travelling all over the map on this resolution, to tell us what he has to say about the restoration of titles.

Mr. SPOTTON: Mr. Speaker, I was going to say that our school books would have to be rewritten—

Mr. SANDERSON: I asked the hon. member about titles, not school-books. He made a speech two years ago.

Mr. SPOTTON: Children and other people ask a lot of questions.

Mr. SANDERSON: Titles.

Mr. SPOTTON: Mr. Speaker, if the hon. member for South Perth will allow me to proceed I shall do so. When interrupted I was proceeding to say that our children love and have been taught to love the songs in our school-houses and the union jack which floats over every public school in my county. That love will not be supplanted by any new-fangled flag. The pioneers who came to my county never thought they would raise a generation which for one moment would even suggest or hint that the union jack which they brought with them was not good enough.

There is a danger I should like to mention, Mr. Speaker I have not a word to say about any person who has come to this country from any land. Every citizen of our country has been permitted or invited to come consequently we should treat them as brothers and sisters; but I do say if it had not been for the million of immigrants who came in between the years 1921 and 1930, and particularly the half million which came during the last three years of the King administration we would not have as great a problem as we have to-day. We talk about assimilating races. Well, you start first with your sons and your daughters. Start in a practical fashion and then talk to me about the assimilation of races. It will come, through a long period of time, but the point is that most of these races do not wish to be assimilated. I do say however they should know that when they come to a part of the British empire they will have all the privileges afforded by our flag, the union jack. The new member from Toronto has stated that we have unprotected trade routes. Speaking in a church not long ago I discussed the flag, a subject which has been brought up many times and a returned missionary said the only protection he carried was the union jack on his breast. I must say that at this time I have more sympathy for the hon. member for North Battleford (Mr. McIntosh) than I had before. I thought he was perhaps the only man in the house who would bring up this subject. I believe I told him once that as an old teacher he should look up the old school-

book where I believe it was Barbara Frietchie who loved her flag so much that:

> She leaned far out on the window-sill,
> And shook it forth with a royal will.
> "Shoot, if you must, this old gray head,
> But spare your country's flag," she said.

I would to God that that might be the spirit which could be inculcated in every youth in our country.

Upon other occasions in this session I propose to do my full measure of battling, I have decided we should not let these foolish arguments go unchecked this session as we have done in the past four years.

Mr. A. J. ANDERSON (Toronto-High Park): Mr. Speaker, this question seems to have centred about the city of Toronto and the province of Ontario. I have not practised flag waving at all. As other hon. members have said I hope I am a good British subject and a first class Canadian citizen. It seems to me that what we require in Canada is cooperation in extending and building up a finer Canadian spirit than has sometimes been exhibited.

This motion is for the purpose of establishing a national flag. I must say I do not know the particular object which could be served by having another flag. People of this country so far as I can ascertain have not in any way shown any dislike for the union jack. For many years the dominions in all parts of the globe have spoken imperially and in the different conferences we have always stressed the point that we desired to continue to remain a part of the British commonwealth of nations. Up to the year 1926 we had considered our status in the empire from a legal and constitutional standpoint. It appeared to many people including myself that the tendency was toward separation rather than a continuation of a connection with the British empire. I think that feeling was apparent throughout the empire. The result was that when in 1930 representatives from various parts of the commonwealth assembled in London there was a desire, as evidenced by the addresses, to strengthen the British connection. It was urged that we had attained a certain amount of national or inter-imperial independence which greatly extended the powers of the dominions. There was a feeling however that something was lacking, and the result was that all the representatives at the conference stressed the necessity for something to bind the various parts of the empire together. It may be that that conference did not produce a great deal, but we find that later on those same dominions joined in an effort to strengthen their connection with the result that the agreements of the year 1932 showed conclusively the dominions desired to remain closely connected with the motherland and with one another. In all our conferences and throughout our history our progress has been made under the union jack as it exists to-day.

For a few moments I should like to refer to those tragic days between 1914 and 1919. We saw a large army, to a great extent voluntary, proceeding across the seas to assist the motherland in her efforts to establish what she considered right. Those 500,000 men were assembled under the flag of Great Britain. So far as they were concerned there was no desire to have a distinctive flag over them. That was not necessary in order to ensure their loyalty and allegiance to the principles of British institutions and British justice. They did their best for the empire and in their great effort probably did more to advance Canadian sentiment or Canadian consciousness than had been done previously in our history. It is unfortunate that an event of such a tragic nature was necessary in order to bring about that sentiment. An observer whose statements I have read recently has said that one day he was standing near Poperinghe in the war region when a division of the Canadian army was marching towards the Somme. He states that for the first time in his life he felt a real thrill when he saw those men marching along to Canadian tunes and Canadian songs with the union jack at their head. He then began to feel that Canada had a sentiment. And that is the sentiment we ought to try to continue to-day. In my riding, which is part of the city of Toronto, there is no desire for a new flag. The sentiment is that the union jack is quite sufficient for all purposes; it represents the best there is in British traditions and in the history of the British people. It represents the best that is meant by the words Britain and British.

As regards the proposal to make the flag distinctive, we do not need anything of the kind in Canada. It might be advisable and in the interests of this country, for the sake of distinctiveness, that on the union jack there should be some design that would not to any great extent encroach upon the design of the flag as it stands now—merely something to bring out the distinctiveness of the flag as appropriate to Canada itself. But that would apply only to extraterritorial purposes, for instance, for use overseas by our embassies, in legations and so on. At any rate, so far as my own constituency is concerned, the sentiment there is that the union jack is quite

sufficient for Canada and that any change that might be made should be simply an addition in a small way to make it distinctive of our country when it is flown abroad.

Mr. W. F. GARLAND (Carleton): I second the motion of the hon. member for Parry Sound for this reason. I am very much in favour of the union jack being left as it is, and speaking for the county of Carleton I can say that there has been no agitation to have the flag changed. In fact, if there has been any agitation in the county the feeling has been that the flag should be left as it is. I deem it my duty as the representative of that county to voice the opinion of the electors to this effect.

The amendment moved by the hon. member for Parry Sound in which he strikes out the last paragraph provides:

> That the motion be amended by striking out the last paragraph; and
>
> Adding to the first paragraph the words "which shall be the union jack, upon which for use on marine vessels and for extraterritorial places the word 'Canada' and/or such national emblems as this parliament may approve may be placed, but such word and/or emblems shall not occupy more than one-eighth of the surface of the flag."

That to my mind would cover everything that has been stated this afternoon. So far as Canada is concerned, the union jack would remain as it is, except that for marine and extraterritorial purposes some emblem could be added as suggested. That would cover some of the objections raised by the hon. member for Queens-Lunenburg (Mr. Ernst).

I do not want to take up the time of the house because I realize that we have more important matters to discuss; indeed, I do not see why this subject was brought up at all. The flag as it stands is good enough. It has been good enough for every Canadian since 1867 and before, and as the hon. member for East Toronto said, it is the flag under which the soldiers fought, and the flag under which they will fight again should the occasion arise.

I am very much in sympathy with the amendment and I will support it. Should the amendment be lost I will oppose the resolution as it stands.

Mr. H. A. MULLINS (Marquette): I have lived under this old flag probably as long as any man in this chamber, and God forbid that there should be any change in it or that we should have any new method or doctrine such as is proposed by the younger men like the hon. member for Nanaimo (Mr. Dickie). While I was travelling in the United States a short time ago I was asked to address a service club and in the room the union jack and the stars and stripes were placed side by side. I then quoted these lines:

> Your flag, my flag—how much they hold.
> Your land and my land are safe within their fold.

The union jack stands at the top of this tower and God forbid that the day should ever come when it is taken down, at any rate so long as I occupy a seat in this chamber.

I am going to be brief because I do not want to take up the time of the house, but I do not want any change in the old flag—certainly not during the period that is left to me to be a member of this house.

Mr. W. E. TUMMON (South Hastings): Notwithstanding all the arguments that have been advanced by those who have spoken in favour of a change in the flag, I am yet to be impressed that Canada needs a change in the flag, even though in any design that might be chosen it were provided that the union jack must be conspicuous. The argument put forward by hon. gentlemen that other parts of the empire have adopted a national flag does not carry great weight with me. Because one person does a certain thing is no reason why I should do it; because my neighbour intends to keep up with the Joneses is no reason why I should do the same.

I have seen numerous designs submitted by those who are in favour of a national flag for Canada but I have yet to see a design for which I should be content to vote, even if I were in favour of a change, which I am not. If those who advocate a national flag for Canada are sincere why should they not submit to this house a design and let the house decide between that design and the union jack? If that were done then we should have something definite to vote upon. But why ask this house to vote for a resolution which, if carried, implies that the house is no longer satisfied with the union jack, when those who propose the change offer nothing to take the place of our flag. Let me say to those who submit this resolution year after year that until they bring forward something better than the union jack I for one will continue to vote against their proposal.

Mr. S. C. ROBINSON (West Essex): Mr. Speaker, before this resolution goes to a vote, I wish to register my protest against any change in the union jack. In the part of the country from which I come there is no agitation for a change; there is only an agitation by an organization of persons calling themselves the Native Sons of Canada and if anybody could see the abortion of a flag

they have there to take the place of the union jack, he would be surprised; it is enough to make the majority of hon. members in the house vote against the resolution. From reading reports of their meetings I am convinced the Native Sons of Canada is an anti-British organization; it is certainly not a Conservative one. In South Africa they have had a bitter controversy about the flag and the result is that now it is the law of that country to fly the British flag with the South African. We do not want to have any of that bitter controversy in this country. I may say that there are very strong social organizations and especially the returned soldier bodies who are bitterly opposed to any change in the union jack and unless there is a more pronounced agitation than there is at the present time for a change, I do not think we should vote in this house on the resolution which has been brought before us this afternoon. If we do so a wrong impression may go out of the country and, as the previous speaker has said, the world will think we are dissatisfied with the union jack.

In 1929 I went up the Peace river a hundred miles beyond Head of Rail and what impressed me in that country more than anything else was that during the two or three days I was up there I never saw a flag flying from the masthead anywhere except the union jack. All foreigners who come to this country know what the union jack stands for and they are glad of its protection. If we make some new design of a flag for this country, it will take centuries to know what it stands for.

The hon. member for Queens-Lunenburg (Mr. Ernst), speaking about the legations, mentioned the foreign legation. London, England, I would like to inform him, is not a foreign legation; it is a British legation. I do not know that there is anything more I can add to what has already been said against the resolution.

Mr. ONESIME GAGNON (Dorchester): Mr. Speaker, I did not intend to take part in this debate, but I am more or less prompted to do so by the speech of the hon. member for West Essex (Mr. Robinson) who has preceded me. Referring to the development of public opinion which in Canada is certainly very great in favour of the adoption of a national flag, he said something which was not very complimentary to the order of the Native Sons of Canada which he qualified as being an anti-British organization. I have in the past belonged to the Native Sons of Canada; I have no mandate to speak for them, but I believe they are as loyal as any order to which the hon. member may belong. I may add this: not only the Native Sons of Canada but many other associations have expressed themselves to be in favour of the adoption of a Canadian flag and I shall recall to the hon. member who represents the city of Windsor (Mr. Robinson) a convention of the Kiwanians held in that city in 1931 and attended by thousands of members coming from different parts of Canada. I have before me a resolution which was there and then unanimously adopted by the members present at that convention. With your permission, sir, I shall read that resolution:

Whereas, in the last few years, an ever increasing number of associations, public bodies and individuals have advocated the adoption of a distinctive national flag for Canada, which would distinguish our dominion from other parts of the British empire.

Whereas, the union jack is the only official Canadian flag on land and, among the majority of citizens, there is a widespread idea that the Canadian merchant marine red ensign is the flag of Canada, an idea formed by the action of the Dominion government in authorizing its official use on Canadian public buildings, outside of Canada, to distinguish Canadian from British diplomatic headquarters.

Whereas, all British dominions, except Canada, have officially adopted distinctive national flags, so as to distinguish their country from other dominions of the British empire, supplementing the union jack which stands for empire unity.

Whereas, the government of Canada, in 1925, has judged this question important enough to name a committee to study and report on the adoption of a national flag, but the project was indefinitely postponed, although over one hundred designs for a new Canadian flag were considered by the committee.

Whereas, the above facts reflect a powerful opinion, throughout the Dominion of Canada, for the adoption of a distinctive Canadian flag, a flag which would designate Canada, Canadian institutions and Canadian people, and make for better Canadian citizenship one of the objectives of Kiwanis.

Be it resolved that the Kiwanis club of Quebec adopts the principle of a distinctive national flag for Canada, believing that it will promote Canadian citizenship, patriotism and goodwill among all classes, races and peoples of Canada and, without suggesting a design insists that no distinctive Canadian flag should be adopted which does not, in its design, give first place to the union jack, symbol of empire unity.

Be it further resolved that this resolution be presented to the members of Kiwanis in convention at Windsor, Ontario, and sent to committee on public affairs for Canada, so that necessary steps will be taken to ask the Dominion government to reconsider the question of adopting a national flag for the Dominion of Canada.

That resolution was moved by Mr. Owen Callary, president of the Montreal club, and seconded by Doctor A. A. Hicky of the Ottawa club.

Not only did the Kiwanians unanimously pass a resolution in favour of adopting a national flag for Canada, but the Association of Canadian Clubs which, if I understand aright, is not at all a disloyal institution, has also approved of the adoption of a national flag. I happen to be vice-president of the Association of Canadian Clubs, and therefore I know whereof I speak. In 1929 in the Canadian Nation, published by the Association of Canadian Clubs in Ottawa, there is the following article:

Flag Question

There are, it is said, some sixty-four flags in the British empire. One of them is the marine flag, the red ensign of Canada. But on land, Canadians have not a flag of their own, though they frequently use the marine flag for land purposes. What reason is there that makes it impossible for Canada to have a flag which may be properly and legally flown? Surely, there is no reason which would not also apply to the royal navy, to the commonwealth of Australia, to the province of Nova Scotia, to the crown colonies? In Canada, the reason there is no Canadian flag is, it would appear, the totally unfounded fear held by a minority that any combination of the union jack with some Canadian symbol means a weakening of Canada's attachment to the British empire. Essentially, and, as a matter of course, Canadians want the union jack to be a major part of their flag on land, as it already is on sea. That being so, there is no argument that holds water against having such a flag. What argument is there that would not also apply to sixty-four other British flags? To the fact that Canadians have a flag so soon as they leave Canada? If, as the dubious feel, the empire, which has withstood the onslaughts of Louis, Napoleon and imperial Germany, will totter the moment Canadians have a flag as much their own as the Australian flag is Australian's, why did the empire not totter when the red ensign floated from the parliament buildings, as it did for many years? Why were Canadians not accused of a want of imperial loyalty when the Canadian corps in France flew a distinctively Canadian flag? When Bernier carried a Canadian flag to explore the arctic? There is no weight in the argument of disloyalty.

Canadians are proud to be British subjects and always have been. But do they not also want a flag, a symbol of their own to show their own pride in their own part of their own empire? We are not speaking categorically on this subject. We are only attempting to reflect an opinion which is undoubtedly powerful throughout the dominion.

In 1933 I had the honour of being invited by the Canadian Bar Association to address their annual convention at Ottawa. I chose as the title of my address, The Evolution of Canadian Autonomy, and I beg to quote a passage from what I then said:

Who has forgotten the stand taken by Sir John A. Macdonald in selecting a Canadian flag which, as you know, was

"The red ensign of the British merchant ships with the Canada coat of arms in the fly."

There I quoted Mr. John S. Ewart, a distinguished lawyer of Ottawa, who in The Kingdom Papers wrote as follows:

After floating for thirty years over every dominion public building in Canada it was through foolish misapprehension displaced and the union jack restored.

And I went on:

South Africa, New Zealand, the Irish Free State have each a national flag. Canada has none yet. So long as it has none, can it be said to be a sovereign state? Mr. Ewart says no. I do not quite agree with him, but I submit that it is not indicative of much national pride. It is, therefore, opportune that appropriate steps be taken to satisfy the aspirations of the majority of Canadians who are desirous of having a national flag which will embody the aspirations of the French and English elements and be symbolical of the heroic deeds of our great dead and the great aspirations of our young generations.

Mr. Speaker, I do not want to compliment myself by saying that that passage received the unanimous applause of all the lawyers present, irrespective of race and party. I desire only to show that really there is in many quarters in Canada, in every province, a strong sentiment in favour of the adoption of a distinctive Canadian flag. I need not say that those who are in favour of the adoption of a national flag are not at all desirous of displacing the union jack in the love and affection which every Canadian citizen feels for it, but they wish, as did the citizens of Australia, South Africa and of all the British autonomous dominions, that Canada shall go forward, that Canada adopt a national flag which, as I said before, shall be symbolical of the heroic deeds of our great dead and of the aspirations of the young generations.

Mr. J. H. MYERS (Queens): Mr. Speaker, I am sorry to have to disagree for once with my hon. friend the member for Dorchester (Mr. Gagnon). In the province from which I come we have bodies that are very active: we have a branch of the Canadian legion; we have also boards of trade that take a very keen interest in any and every question affecting the welfare of our province and of Canada in general. But never on one occasion have I yet heard this flag question raised in the province of Prince Edward Island. Down there we are satisfied to go on as we have for many years under the grand old union jack, and I cannot see that any good purpose would be served by mutilating the surface of that flag either by additions or by taking anything away. It is a well known fact

that Canada is entirely under the protection of the British navy, over which the union jack flies, and it is my impression that at least for many years to come we should remain as we are and keep the grand old union jack as the flag of Canada.

I shall therefore feel it my duty, in view of the fact that no move has been made in our province, so far as I am aware, to change our flag, either by additions to the union jack or by the substitution of an entirely different flag, to oppose any move towards a change in this matter.

Hon. C. H. CAHAN (Secretary of State): The department over which I have the honour to preside is called upon very frequently to decide on the use of the flag on official occasions, and we have received during the past four years more or less correspondence with regard to the adoption of a national flag. In the hope that if the consideration of this question is further deferred—not postponed indefinitely—during the present session I may be able after consultation with my colleagues to make some definite constructive suggestion in the matter—in the hope but not in the sure confidence that I may be able to do so—I move, seconded by Mr. Guthrie, the adjournment of this debate.

Motion agreed to and debate adjourned.

Mr. MACKENZIE KING: Get on with social reform.

Mr. GUTHRIE: I think it is reasonable to call it six o'clock. I therefore move that the house do now adjourn.

Mr. MACKENZIE KING: I do not see why we should adjourn. The next motion on the order paper is one that relates to housing and the necessity of some program of reconstruction—

Mr. GUTHRIE: Then I withdraw my motion. We will go on.

Mr. MACKENZIE KING: I think we ought to get ahead with the social legislation as fast as we can.

An hon. MEMBER: For ten years you did nothing.

Mr. McINTOSH: This is not an adjournment session; this is a business session.

Mr. CASGRAIN: Adjourn and go to the country.

HOUSING POLICY

PROPOSED NATIONAL POLICY OF BUILDING AND RECONSTRUCTION AS ECONOMIC AND SOCIAL NECESSITY

Mr. T. L. CHURCH (East Toronto) moved:

That in the opinion of this house Canada should inaugurate at once a national housing, building and reconstruction policy adapted to its circumstances, and that such a policy is an economic and social necessity and in the best interests of the people of our country.

He said: I think this resolution is a most important one for the house to consider at the present time. It proposes that Canada shall inaugurate at once a national housing, building and reconstruction policy, adapted to its circumstances. I do not propose that we should go as far as they did in England or the United States, but rather that a survey might be made by the Department of Trade and Commerce or the Department of Labour to find out in what way the federal authority could deal with this problem. Such a policy is at the present time an economic and social necessity in the interests of the people of Canada. Unemployment is linked up with this problem, so is the health of the community. One of the reasons for the mother country recovering far faster than either the United States of America or Canada is the fact that she has taken up many of these economic problems in a big way. For example she has had sickness and unemployment insurance and old age pensions for twenty-three years, with the result that when the depression came on she was better able to deal with the evil. Also nearly one hundred years ago Lord Shaftsbury introduced his legislation to eliminate child labour and sweat shops. Those are among the main reasons why the mother country is recovering to-day more rapidly than either the United States or Canada, although they have largely the same problems.

It is the duty of a Christian country, a Christian community, to do all in its power to see to it that its citizens live in healthy homes. Housing cannot in any locality be separated from the problems of roads, light, water, sanitation or other similar questions.

One of the evils of to-day is the high mortgage rates that are charged. They are retarding progress and recovery. As I say, I cannot emphasize too strongly the necessity of the government taking some action to reduce these mortgage rates which are bearing so heavily on the poor people. In the city from which I come many old workers are losing their little homes because they cannot pay the high mortgage rates which are asked. I hope that in some way perhaps through the provinces and the municipalities, the government may take some action so that loans may be made at reasonable rates of interest to aid the reconstruction of old buildings and the construction of new houses. I believe such a step will be in the right direction, that it

will stimulate the building industry and create more jobs and greater employment. If such a step should be taken I believe property owners should be given the right to renew their mortgages at lower rates without the payment of any bonus. Obviously it is unfair to permit people to borrow money on new buildings at lower rates than are charged on existing mortgages. Such an arrangement in my opinion would give an unfair advantage to one class of people in selling their property in competition with others. It stands to reason that if lower rates of interest were provided a great majority of the existing mortgages would not be disturbed; the mortgagees would renew the mortgages at lower rates.

In Great Britain the Tory administration has done a great deal towards solving the housing problem. The government has definitely accepted responsibility for providing adequate housing for every working family in the land at rents within the ability of the worker to pay. There the objective is to put every family in an adequate house, and to abolish all slums. The things that Great Britain has done since the war in regard to housing are simply amazing. Local authorities and specially chartered private enterprises have built houses for 1,160,294 families of workers in the last few years, while unassisted private enterprise has built 1,150,520 more houses, some of them, though not all, for workers. So we find that nearly 3,000,000 new dwellings have been put up by old, conservative, slow-going England since the war. In Washington there are hundreds of these wretched shacks within sight of the capitol dome, occupied at very high rents, many of them unfit for human habitation, yet nothing is being done.

I believe that housing will do more than any other agency to put men back at work. In the constituency of East Toronto which I now represent there are some 300 large and small industries. I was asked to bring this question to the attention of parliament. I admit that under the British North America Act it is hard to solve any of the economic problems of this country. I think it might very well be called the passing the buck act, because that is about what it amounts to in regard to getting anything done in a practical way to relieve the workers of this country under the economic conditions from which they have been suffering for years. Among those who have been driven to the wall in these days of economic stress and strain are many skilled workers, bricklayers, plasterers, carpenters, lathers, plumbers and others. Many of these men are losing their small homes through lack of employment. This question has been studied very carefully in many of the cities of this country, as well as in the United States and in England.

Since it is almost six o'clock, Mr. Speaker, I should be glad to postpone the remainder of my remarks until to-morrow, if it is another private members' day, though I am ready to go on now. I am just coming to a report of housing conditions in the city of Toronto, to which I should like to refer for a few minutes. In Toronto a committee was appointed to make a survey, and that committee found conditions which should not exist in any large city, though the city council of Toronto is one of the most active and progressive councils to be found in any part of the British empire. I move the adjournment of the debate until to-morrow.

Mr. MACKENZIE KING: I thought what the hon. member meant was to call it six o'clock.

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

Thursday, January 24, 1935

The house met at three o'clock.

QUESTIONS

(Questions answered orally are indicated by an asterisk).

SEIZURE OF VESSEL PAUL T.

Mr. VENIOT:

1. Were instructions issued by the Department of National Revenue in connection with the disposal of the vessel Paul T seized for infraction of customs regulations; if so, what were such instructions?

2. Were instructions issued by the said department for the disposal of liquors seized on board such vessel; if so, what were such instructions?

3. Were instructions issued by the Department of National Revenue for the disposal of the stores found on board the Paul T; if so, what were the instructions?

Mr. MATTHEWS:

1. Yes, to destroy the vessel.

2. Yes, to destroy the liquor.

3. Vessel, cargo and stores had been forfeited to crown in right of the province and merely transferred to Department of National Revenue for disposal. Instructions were given for destruction of vessel and cargo without particularly mentioning stores.

CANADIAN FARM LOAN ACT APPLICATIONS

Mr. GIROUARD:

1. How many applications for loans, under the Farm Loan Act, were made by farmers in the province of Quebec during the years 1932, 1933, and 1934?

2. How many of such applications were granted during each of the said years?

3. How many applications were refused during each of the said years?

4. What was the total amount of the loans asked during each of the years 1932, 1933, and 1934?

5. What was the total amount of loans granted during each of the said years?

Mr. RHODES:

Answers 1, 2, 3, 4, 5.

	Applications for Loan Received	Amount of Loans Applied for	(*) Number of Loans Granted	Number of Applications withdrawn or Rejected (*)	Amount of Loans Granted
Fiscal year ended March 31, 1932..	2,703	$7,829,933	425	2,507	$855,000
Fiscal year ended March 31, 1933..	1,018	2,413,935	237	865	438,200
Fiscal year ended March 31, 1934..	779	1,541,711	140	645	222,900

(*)Figures for each year under this heading include applications carried over from previous fiscal year and dealt with during the fiscal year.

QUESTIONS PASSED AS ORDERS FOR RETURNS

ELECTORAL LISTS

Mr. POWER:

How many names were inscribed on the electoral lists of each of the constituencies in the province of Quebec as a result of the recent general registration under the provisions of the Dominion Franchise Act, 1934?

Mr. CAHAN: Return tabled herewith.

SILVER AND GOLD PRODUCTION

Mr. REID:

1. What amounts of silver have been purchased by the government of Canada since April 1, 1934, and (a) what price per ounce was paid for the silver purchased; (b) from whom were the various quantities, if any, purchased?

2. What was the total output of gold in 1934?

3. What was the total revenue received by the government in 1934 under the gold tax of 1934?

4. What was the average value per ounce of gold produced in Canada during 1934?

5. Were any licences issued for the exportation of gold?

6. If so: (a) to whom; (b) what was the total amount exported; (c) to what countries were the various amounts exported?

7. Did the dominion government purchase any gold in 1934; if so, what quantities were purchased and what was the price per ounce paid?

EMPIRE DEFENCE PLAN

INQUIRY BY MR. MACKENZIE KING AS TO ACCURACY OR OTHERWISE OF PRESS REPORT

On the orders of the day:

Right Hon. W. L. MACKENZIE KING (Leader of the Opposition): On Monday I asked the Prime Minister a question with regard to an article that had appeared in an English newspaper in reference to an empire defence plan and the right hon. gentleman replied to the effect that it was a question that ordinarily ought to have been placed on the order paper in order that time might be given to look into it. He gave a definite answer with regard to the article itself but did not answer at the time, and I imagine was not in a position to do so, the specific question I asked, which was:

> Was the recent visit of Sir Maurice Hankey to Canada made the occasion of a discussion or consideration of any plan of empire defence by any member of the government, or by any official or officials of the government, acting under the authority of any minister of the crown?

The Prime Minister said that he would examine the situation in detail to see whether any further reply should be made than that which he gave. May I say to him that I shall be glad to put the inquiry in the form of a question on the order paper if he prefers to have further time for consideration before giving an answer. If, however, he is prepared to give a definite reply with respect to my question, and the implications conveyed by the article to which I referred that would be more satisfactory.

Right Hon. R. B. BENNETT (Prime Minister): As I indicated, I had no notice of the question, but I felt that it was one that should be answered immediately in order that no wrong impressions might be given to the people of Canada. The answer to the question as put is, no. I know of no conversations with respect to empire defence,

in the sense in which I assume that term is used, which were carried on by Sir Maurice Hankey with any officer or officers of any of the departments, with the authority of the government, or with anyone else, so far as I know, except, as I found on inquiry, that Sir Maurice Hankey did see the chief of the general staff, saw the camps at Rockcliffe, and matters of that sort. I think he called on the Under-Secretary of State for External Affairs and sat with him for an hour, and I believe he accepted the hospitality of the right hon. gentleman opposite. He had many conversations with friends whom he had met in previous years, and I had a few words of conversation with him—not an extensive conversation—and certainly there was no discussion of empire defence in any sense, as far as I know. Nor was any such discussion authorized by the government on the part of any official or officials of the departments in Canada.

Mr. MACKENZIE KING: I notice that the Prime Minister in his reply says, "So far as I know." Perhaps he will not object if I put on the order paper a question which would specifically cover the knowledge of other ministers. It is quite true that when Sir Maurice Hankey was here some of us had the pleasure of renewing old friendships with him and conversing with him, and I am happy to have been one of the number; but apart from these personal relationships, there is a general impression that matters pertaining to defence were discussed by officials of the department of National Defence with Sir Maurice when he was here. On that point I should like to get exact information.

Mr. BENNETT: I think that is the proper course and the one which the right hon. gentleman should have followed at the beginning instead of asking without notice a question of that character. I think he will agree that if he were Prime Minister he would not care to have a question of that kind asked without notice, with the obvious implications which it carries and in view of the effect it is calculated to have on certain people in the community who have strong views. Now, I did make inquiries, and I repeat that while Sir Maurice Hankey did discuss everything connected with our own country, asked questions, and carried on a general conversation that had no official character, so far as I know, with various people whom he met, he did not discuss with nor was any official authorized to carry on with him any conversation other than the ordinary conversation which one would expect to take place between a man of Sir Maurice Hankey's experience and attainments and any person whom he might meet in any of the services of Canada and whom he had previously known.

[Mr. Bennett.]

Mr. MACKENZIE KING: In view of what the Prime Minister says, I will not place any question on the order paper; I shall accept the statement he has made.

MARKETING OF POTATOES

On the orders of the day.

Mr. B. F. SMITH (Victoria-Carleton): I wish to direct two questions to the Minister of Agriculture (Mr. Weir). First, in view of the depressed condition of the potato industry in the maritime provinces, and in fact throughout the whole of Canada, what steps have been taken, if any, by the Department of Agriculture or the Dominion Marketing Board to explore possible outside markets? Secondly, what progress is being made toward the formation of a potato marketing board covering the five eastern provinces of Canada?

Hon. ROBERT WEIR (Minister of Agriculture): The hon. member notified me that he would ask these questions. A committee has been set up under the eastern Canada potato marketing scheme to explore the possibility of any further markets and also to investigate the question as to what additional use might be made in different ways of the by-products of potatoes. A board has been created with jurisdiction in the three maritime provinces and also in Ontario.

Mr. MARCIL: Can the minister give any information with regard to Quebec?

Mr. WEIR (Melfort): The province of Quebec had the matter under consideration for some time and it was thought that they would go into it, but finally they decided not to do so.

Mr. MARCIL: Can the minister give the names of the members of the committee?

Mr. WEIR (Melfort): I shall be glad to do so.

HORNBY SETTLEMENT PLAN

On the orders of the day:

Mr. JOHN VALLANCE (South Battleford): Will the Minister of Immigration lay on the table of the house copies of the schemes for local settlement under the Hornby plan in the provinces of Nova Scotia, New Brunswick, Ontario, Manitoba, Saskatchewan and Alberta?

Hon. HUGH GUTHRIE (Minister of Justice): The minister is not in the house at the moment; the question will be drawn to his attention.

RICHELIEU CORPORATION

On the orders of the day:

Mr. R. W. GRAY (West Lambton): I have a question which I should like the Minister of Trade and Commerce (Mr. Hanson) to answer. The question arises out of an item that appeared in the Toronto Globe of Tuesday, January 22, from London, Ontario, under the heading:

Federal subsidy given Richelieu Co., accountant says
Evidence in cattle fraud charges open at London

The paragraph to which I direct attention particularly reads:

Subsidy of $7,392 to outfit a cattle ship was paid by the Bennett government to the Richelieu Corporation, now defunct, at a time when the company's finances allegedly were in jeopardy and the corporation was in debt to Ontario farmers for cattle, declared Charles Sears, chartered accountant, in evidence here to-day at the preliminary trial of three ex-officials of the company on fraud charges.

The question I want to ask is this: Is the sum of $7,392, mentioned in the article, in addition to the $13,000 that was admitted to have been paid by the government, by the former Minister of Trade and Commerce, when this matter was under discussion last year? If so, at what stage of the company's life was the sum mentioned paid?

Hon. R. B. HANSON (Minister of Trade and Commerce): This question is one which properly speaking should have been placed on the order paper, but as the hon. gentleman was courteous enough to give me notice of it, I desire to give him an immediate reply. The answer to the first is in the negative; the answer to the second question is in the affirmative, with this limitation, that the investigation into the company's status was made prior to the payment.

CANADIAN SILVER DOLLAR

On the orders of the day:

Mr. THOMAS REID (New Westminster): Can the Minister of Finance tell us when we may expect the new Canadian silver dollar to be ready?

Hon. E. N. RHODES (Minister of Finance): It is anticipated that the new silver dollar will be ready and widely distributed on the 6th of May, the anniversary which it is intended to commemorate.

Mr. McINTOSH: That will be the election date.

BANK OF CANADA

On the orders of the day:

Hon. CHARLES MARCIL (Bonaventure): When will the government announce the appointment of the deputy governor of the Bank of Canada?

Right Hon. R. B. BENNETT (Prime Minister): As soon the bank is in a position to function.

BUSINESS OF THE HOUSE

PRECEDENCE GIVEN TO PUBLIC BILLS AND ORDERS OVER MEMBERS' MOTIONS

Mr. J. S. WOODSWORTH (Winnipeg North Centre): I note that public bills and orders to-day precede notices of motions. Is it not usual on Thursday, for the first four weeks of the session, for private members' motions to be taken? Personally I should like very much to have the hon. member for East Toronto (Mr. Church) given an opportunity to go on, but it is not in keeping with the regular practice.

Mr. SPEAKER: Might I point out to the hon. member that the first motion coming under public bills and orders is a public order.

Mr. WOODSWORTH: That is quite true, but that does not altogether accord with the regular procedure, I think, because the first motion is in reality the continuance of the debate on the address in reply to the speech from the throne.

Right Hon. R. B. BENNETT (Prime Minister): I think the practice is that which has prevailed in this house for many years. The motion of the hon. member for Dufferin-Simcoe (Mr. Rowe) has now become a public order and appears on the order paper in accordance with the statements contained in the rules of the house as to the business to be taken up on each particular day. The hon. member will recall that the order is not the same each day nor the same each day for private members and the course pursued in making up the order paper is exactly the course indicated in the rules we have followed for many years.

Mr. MACKENZIE KING: Let us agree to the address and then we can go on with the order.

Mr. SPEAKER: If the hon. member for Winnipeg North Centre (Mr. Woodsworth) will refer to standing order 15 he will find that

the order of business is given for the first four weeks of the session and the order paper is prepared pursuant to that rule according to which on Thursdays public bills and orders come before notices of motion.

STATEMENT BY MR. SPEAKER RELATING TO PRACTICE FOLLOWED IN PLACING QUESTIONS ON ORDER PAPER

On the orders of the day:

Mr. SPEAKER: With the permission of the house, I intended when questions were being submitted, to make a statement in connection with a point of order raised yesterday by the hon. member for Bellechasse (Mr. Boulanger), and I should like to make a short statement in that connection.

The hon. member for Bellechasse on a question of privilege yesterday brought to the attention of the house certain matters relating to the practice followed in placing questions on the order paper. I have not as yet had an opportunity of giving full consideration to the statements made by the hon. member. With the approval of the house I shall at the next sitting of the house make a statement in connection with the points raised.

Before the debate on the address is proceeded with, may I make another observation? I would just remind hon. members of the acoustic qualities of this chamber. When an hon. member is speaking, will he bear that in mind so that others in all corners of the house may hear him.

GOVERNOR GENERAL'S SPEECH

CONTINUATION OF DEBATE ON ADDRESS IN REPLY

The house resumed from Tuesday, January 22, consideration of the motion of Mr. W. E. Rowe for an address to His Excellency the Governor General in reply to his speech at the opening of the session.

Mr. ANGUS MacINNIS (Vancouver South): Mr. Speaker, when the house adjourned at eleven o'clock on Tuesday evening I was trying to explain some of the peculiar characteristics of the present capitalistic system. I was endeavouring to point out some of the reasons it did not operate at the present time as it had for some considerable time in the past. I also pointed out that the proposals in the speech from the throne were an attempt as it were to try to eliminate some of those factors in order to make the capitalistic system work. The position I take—and I think it is the one that anyone who makes an extensive study of the capitalistic system must take—is that certain conditions are necessary to its operation, and if those conditions are not there, it does not make any difference what reforms we make, the system will not work. One of the first things that is absolutely essential to the orderly and efficient functioning of capitalism is a foreign market because—and I would like hon. members to take note of this—under this system the producers of wealth never receive in return for their labour enough of that wealth to enable them to consume the product. That is, they never receive in return for their labour enough to enable them to consume all they produce. That immediately raises the point that in every particular locality or community the wealth produced therein cannot under capitalism be consumed in that community. That is the fundamental point we have to deal with. Through the development of capitalism the whole world has taken on the aspect of a community and the more we approach that stage, the more difficult it will become to find foreign markets for the products of each particular country.

Let us look back a little way in history. Capitalism had its beginning—I think this is the position most economists take—in Great Britain about one hundred and sixty years ago when steam was first used as the motive power in production. At that time Great Britain was the only country in the world producing in that way. First of all, let us say that Great Britain herself was able to absorb the commodities produced and the machinery of production for the manufacture of those commodities. But the moment she began to sell the machinery of production to the other countries of Europe, to the United States and eventually to the colonies and to the more backward nations, they began to produce and consequently destroyed the market Great Britain depended upon for her existence. While we may rave against economic nationalism, the nations are compelled to adopt that to save themselves from the evil effects of capitalism in its natural development. I have not now time to develop this point as I would like, but anyone who may wish to develop it or to follow it up a little further may see my speech on the budget of last year and for a more extensive study will find a voluminous literature in the library of parliament on the subject.

Another factor that is absolutely essential to capitalism is a continually widening market for the investment of new capital. It requires that field for new investments for the same reason that it requires foreign markets, because of the surplus produced by the working class

who cannot consume it on account of the smallness of their wages. Therefore every capitalistic country is continually looking for new fields where it can invest the surpluses that are produced within its own borders. In the past when the champions of protection told us about the benefits to be derived from protection, they always drew our attention to the United States and pointed out how that country had grown up under a protective system. When the protagonists of free trade wanted to tell us of its benefits they would point out how Great Britain had developed under free trade. It must be noted that possibly seventy-five or a hundred years ago Great Britain began extending her foreign investments and it was not until quite recently that the United States began to look for fields for foreign investments. By 1914 Great Britain's foreign investments had amounted to over £4,000,000,000 or approximately $20,000,000,000, while the United States foreign investments at that time were practically nil, but at the present time the United States have foreign investments equal to if not exceeding those of Great Britain. We are now in the position where neither Great Britain nor the United States can find investment for new capital abroad. Nor can they find investments in their own country. I have before me the report of the recent annual meeting of the Royal Bank of Canada; this is what the president, Mr. Morris W. Wilson, has to say in connection with capital available for new investment:

> An extraordinarily easy credit situation has been built up and money is a drug on the market, but it is not yet flowing in normal business channels.

In a report from the old country a few days ago I saw the same thing. Wherever we look to-day we find that every capitalist country of any importance has funds available for foreign investment or investment at home, but that investments are not available.

Then we come to the next reason why the capitalist system cannot function; that is because it is a debt-creating system. It is a debt-creating system for the same reason that it depends upon foreign markets and needs ever-widening fields for the investment of new capital. It is a debt-creating system because there is no way in which the surplus values produced by the working class can be disposed of except by creating debt. I would like those who believe that they can make the capitalist system work to explain away these fundamental economic facts.

Let me show you how in Canada's most prosperous years the debt burden of this country has increased—and may I say that the more prosperous we are the more is it necessary under capitalism that we go into debt.

In 1914, the total federal debt was $544,000,000. By 1932, it had increased to $2,832,000,000.

The annual interest had increased from nearly $13,000,000 in 1914, to over $121,000,000 in 1932.

The provincial debt followed the same course. In 1916, the total debt of the nine provinces was only $240,000,000. By 1932, it had increased to $1,363,000,000; and the yearly interest had increased from nearly $8,000,000 in 1916, to $49,000,000 in 1932.

My own province of British Columbia alone has now a yearly interest bill greater than all nine provinces had eighteen years ago.

Then we come to the municipal debt. The total for the dominion in 1919 was $701,000,000. By 1931, twelve years later, it had increased to $1,275,000,000, and the annual interest had increased from $42,000,000 in 1919 to $76,500,000 in 1931.

Remember that these increases took place in perhaps the most prosperous period that Canada has ever had. If under capitalism debt cannot be reduced in a prosperous period, how are you going to reduce it in a period of depression? Yet, while debt is increasing by leaps and bounds, capitalism has no other means to set the wheels of industry moving than to increase it still further. These are the reasons, very briefly put, why the capitalist system cannot operate.

I say now that while there is no reason why the proposals in the speech from the throne should be opposed by anyone, yet there is no reason why we should feel any elation over them, because they cannot and will not improve the conditions of the great mass of the people at the present time. Unemployment insurance, as has already been pointed out, is of very little benefit to those who have no employment at all. A contributory scheme of unemployment insurance cannot be of any benefit to those who are now unemployed and who have been unemployed for the last four years and have no opportunity to build up reserves for that purpose. I am convinced that there is only one solution for the problem that confronts us; that is the social ownership of the means of production, and their co-operative operation by the people as a whole. A government cannot do anything for or give anything to the wealth-producing class of the

country. The farmers in the country and the workers in the city produce the total wealth of the country, and if the farmers or the working class receive anything they can only receive at least part of what they have themselves produced. All that a government can do for a working class, for a wealth-producing class, is to see that the wealth that they produce is not stolen from them. The evidence that has been brought out before the price spreads and mass buying commission is proof positive that neither have any of the provincial governments nor any dominion government seen to it that the wealth which the people produce was not stolen from them. While I suppose it is not in order to comment upon the evidence that has been adduced before that commission, and I do not wish to do so at this moment, it came out that Canada Packers made a profit in the last four years of depression of $13,500,000. I wish to point out that Canada Packers did not make that profit. The farmers who produced the cattle and the packers who packed the meat made that profit of $13,500,000, and all that Canada Packers did was to take it. They performed no useful function that the farmers and the workers who did the work could not perform for themselves. We are quite convinced that the changes necessary to bring about a social order that will meet the needs of the people of Canada on a basis having some relation to the natural resources of the dominion, the industrial equipment at our disposal and our own willingness to work, cannot be brought about in a day. So these ameliorative measures are of value if at the same time we set about building up that new system.

I will conclude by pointing out, as we did in the emergency section in the Regina program of the Cooperative Commonwealth Federation, that:

> Emergency measures, however, are of only temporary value. For the present depression is a sign of the mortal sickness of the whole capitalist system and this sickness cannot be cured by the application of salves.

There is nothing more than salves in the proposals put forward by the Prime Minister.

> These leave untouched the cancer which is eating at the heart of our society, namely the economic system in which our natural resources and our principal means of production and distribution are owned, controlled and operated for the private profit of a small proportion of our population.

I pointed out on Tuesday evening the smallness of that proportion, about one hundred corporations in this country who own and control the means by which the great masses of the people must live. There can be no solution to our problems until that ownership and control are restored to the people of this country, and the means of production are operated for the benefit of the people of Canada and not for the private profit of a few owners.

Mr. H. E. SPENCER (Battle River): Mr. Speaker, I had not intended taking part in this debate, but there are one or two points on which I should like to make a few remarks, so I shall take this opportunity of doing so. I notice that the following words have been put in the mouth of His Excellency, in the speech from the throne:

> In the anxious years through which you have passed, you have been the witnesses of grave defects and abuses in the capitalist system.

Certainly this is a great admission and one which we are very glad to see, because we have claimed that the system has been defective for a great many years. Further on in the speech from the throne I find these words:

> These require modifications in the capitalist system to enable that system more effectively to serve the people.

I was delighted, in reading one of the Prime Minister's radio speeches, to find that he made the statement that the system was made for man, not man for the system. Up to the present time—and this has been very true, as the last speaker stated—the people have suffered a great deal at the hands of the system because a real effort was being made to make that system work even though it might be at the expense of the public. Therefore it is a great step in the right direction, it seems to me, to have the Prime Minister of this country publicly admit, both outside and inside this house, that the system under which we are working is not satisfactory, and that it must be altered in the interests of the public at large.

In the speech from the throne reference was made to the Natural Products Marketing Act. I am not going to deal with that measure beyond saying a few words, because that matter was thoroughly dealt with a short time ago by the hon. member for Red Deer (Mr. Speakman). I do want to say, however, that I think this is one of the most constructive acts ever brought before this house, and I believe that the more it is understood in the country, and the more we are able to make proper use of it, the more we will realize the value of that legislation, and the more we will come to believe that

when it was passed a year ago a very great step was taken in the right direction.

Reference was also made to the Farmers' Creditors Arrangement Act, and I rose particularly to say a few words with regard to that legislation. I think that measure, which was designed to enable the farmers in particular to get out from underneath a certain amount of their load of debt, because of the impossibility of the farming population carrying on under the load they are now attempting to carry, was very badly needed. The machinery set up makes it possible for the debtors and creditors to come together to find ways and means of reducing the total amount of the debt owing. It was surmised and hoped that the creditors would meet the debtors and reduce the sum total of debts to a figure which would enable the farmer to carry on his work and retain his home. When the debts were cut down to that figure it was presumed that the farmer then would be on a sound financial footing and would be able to get financed by the farm loan board so that he could pay off his creditors.

If the act had worked out in that way I think we would have done a very fine piece of work, but we find that in some provinces —I do not say all—the farm loan boards do not see their way clear to advance the money to the debtors which would enable them to pay off their creditors. In those circumstances it does not matter in what position the debtor farmer is left, at the will of the creditors, if the farm loan board refuses to allow him to make use of its facilities. In such cases this measure will not be the success we hoped. In certain provinces we find that those in charge of the administration of the farm loan boards have taken the very definite stand that they are not going to be very enthusiastic in trying to make that act work in order to meet the needs of the debtors, even after the debts have been cut down considerably. In that case it means that the debts have not been cut down sufficiently. If the farm loan boards cooperate there are great possibilities in this legislation, and with the power given the Minister of Finance a year ago to buy upwards of $40,000,000 of farm loan bonds, a very serious situation with regard to agriculture can be readily met.

The speech from the throne further goes on to speak of the Bank of Canada as an instrument of national policy to direct the better utilization of the credit resources of Canada. I do hope that this is not what we might term lip service, because here there is a chance to make the greatest possible use of our national credit. I hope there will be no hesitation in doing so. In the speech from the throne we find advocated many measures in the way of reform. There is no doubt that if these reforms are brought about they will entail considerable expenditure. I do hope that the necessary money will not be collected from taxation, except to the extent that the very large incomes may be more heavily taxed; I hope the fullest use may be made of the national credit in order that these reforms may be carried out.

It is suggested that better provision should be made to protect the worker from unemployment, and in sickness and old age. This has been advocated from this corner of the house for a number of years, and I am delighted to see it in the speech from the throne. It has occurred to me, as it must have occurred to all hon. members of this house in the last few years, that it has been strange to find so many old men still hanging on to their jobs, perhaps because they are not seventy years of age or because they have not been in the country long enough to become entitled to the very small old age pension we now give our old people. In those circumstances they have refused to give up their jobs, because they would be put on the dole. As a result we find our younger population out of work in very large numbers, and we have had to open camps all across Canada to take care of these able, virile and in some cases well educated young men. It does seem to me that we are doing something entirely wrong in keeping the old men at work while we put these young, healthy men into camps. If this statement in the speech from the throne means anything I certainly hope it means that we are going to alter that state of affairs in order to give men, say over sixty, an opportunity to take things a little easier through an old age pension, and at the same time give the young men of the country an opportunity to find work.

According to the speech from the throne a survey is to be made of the national debt structure. I am very glad to see this statement. The house will remember that last year we in this part of the house introduced a resolution along this very line. So we are glad to find this statement in the speech from the throne, for it makes us believe that something is really going to be done in this respect.

I notice in the speech from the throne that there will be an extension of the facilities for long term and intermediate credits. I sincerely hope something will be done to make the farm loan board more operative and give

better service than it is giving at the present time. The reference to minimum wages and a maximum working week is I believe a step in the right direction. Hon. members to my right will correct me if I am wrong when I state that that was one plank in the Liberal platform of 1919. I had the privilege of sitting in this house for nine years when that party happened to be in power, yet we do not find any mention of this legislation until the year 1935. I trust nothing will hinder the passage of any legislation along these lines.

A further statement in the speech from the throne refers to necessary alterations in the incidence of taxation so that it will more directly conform to capacity to pay. That is a move in the right direction. I am reminded of the budgets brought to this house in the years 1927 and 1928 when we found that the government of that day decided to decrease the income tax on large incomes a procedure which I have always thought was a distinct mistake. In good times, when money is plentiful and business is brisk we should keep up our taxation so that we may put something by for a rainy day, that is create a sinking fund. It is much easier to collect extra money in good times than to collect it when times are bad and cash is scarce.

Turning again to the speech from the throne I find there are to be safeguards for the consumer and primary producer against unfair trading practices. When he grows stock or grain the farmer finds himself in the position of a producer. We know only too well about the miserably low prices he has had to accept for his farm produce in the past few years. On the other hand we find he is in the position of a consumer when he must buy his repairs, machinery or binder twine. He is a consumer when he has to buy food, and particularly that food which although originally from the farm has been processed in a factory and is returned to him at a very greatly enhanced price. I am quite certain those people living on the farms will view with a great deal of interest this particular clause in the speech from the throne because they stand to benefit not only as producers but as consumers, if the legislation introduced reflects the spirit we hope will be manifested.

We find in the speech from the throne that we will be invited to enact measures to regulate, in the public interest, concentrations in production and distribution. No doubt some legislation of that sort will be introduced when we receive the report from the price spreads commission. At the present moment I am not going to make special reference to that commission because I hope we shall have plenty of opportunity at a later time to discuss the work it has been doing and the findings it has made.

We find further we will be invited to enact measures to provide the investing public with means to protect itself against exploitation. This I believe has particular reference to watered stock. I shall simply remind the house that not only during the life of the last government but in the early years this government held office the matter of watered stock was discussed by hon. members sitting in this corner of the house with the object of reform but nothing was done at either time. Although such action is late I am pleased the government has placed in the speech of His Excellency a statement intimating that they are going to attempt to solve the problem.

Turning again to the speech from the throne we find there will be introduced a reform in our penitentiaries system, and that consideration is being given to the Borstal system. I have no doubt the hon. member for Southeast Grey (Miss Macphail), the hon. member for Winnipeg North Centre (Mr. Woodsworth) and other hon. members who for many years past have recommended reforms in our penitentiaries will appreciate this clause, despite the fact reforms are overdue. We shall watch with a great deal of interest the legislation which will be introduced by the government, and will be pleased to learn how far they intend to go in their reform program.

It gives me pleasure to note that there is to be a reorganization in the government service. Whether or not we happen to agree with many of the Prime Minister's policies we have to give him credit for making very necessary and worth while changes in the Department of Finance during the time he was minister of that department. I am quite sure no one could be better qualified to take the initiative in a reorganization of our whole civil service than is the present Prime Minister of Canada. I note further in the speech from the throne that an economic council will be set up to advise the ministers upon all economic questions concerning our national welfare. Here again I am pleased to welcome the suggestion, one which has been made at least twice from this corner of the house. Upon each occasion it was recommended on our behalf by the hon. member for Red Deer (Mr. Speakman).

Hon. members in this part of the chamber are not greatly interested in what political party places legislation on the statute books; we are far more interested in seeing legis-

lation placed there. If the present government is prepared to place upon our statute books the legislation mentioned in the speech from the throne I am quite sure it will receive the fullest support from hon. members in this corner of the house on any legislation we have suggested in the past. People have been looking for some action, and I am not going to blame the Prime Minister if some think he has made a volte face. If he is doing something worth while or constructive he should not be criticized. Very often a change is a sign of progress. I agree with the hon. member who preceded me that many of the suggestions are salve; I am ready to admit that. At the same time it is better that a doctor should recognize the sickness of his patients and be prepared to administer a salve and follow with a real remedy than not to recognize the sickness at all. The present government apparently recognizes that the nation is sick and it is prepared to take some action. If in the nine years it held office the late government had had the courage to come forward with these reforms I would have paid it the same compliment and would have given it the same hearty support as I shall give the present government on the reforms suggested in the speech from the throne.

Mr. A. A. HEAPS (North Winnipeg): Mr. Speaker, there are a few observations I wish to make at this time. I wish particularly to address myself to certain questions that were raised by the Prime Minister in his radio addresses and in the speech from the throne to which I have given a good deal of attention during the years I have been a member of this house.

The present session reminds me somewhat of the session of 1926. I think those hon. members who were members of the house at that time will bear in mind the legislation that was passed during that memorable session, and one of the pieces of legislation which made such a lasting impression on the country was the old age pension act. We got the old age pension act through parliament during that session and it became the law a year or so subsequent. To-day there must be approximately 40,000 people throughout the Dominion of Canada who are receiving the benefits of that legislation. I said that there was some similarity between that session and this session of 1935. In 1926 the government was not a very stable government; they had a very small majority in this house, and it appears now that the present government is not very stable. It appears further that about the only time that we can expect to have enacted social legislation that is worth while is when we have not a stable government in power; and there, Mr. Speaker, is the similarity between the two sessions.

Now on the eve of an election we are to be favoured, and I am very pleased to see it, with some social legislation which I hope will confer equal benefits and advantages upon the people of Canada as did the old age pension act of 1926.

It has been suggested by the Prime Minister and those associated with him that there is going to be a series of drastic reforms in the economic structure of this dominion. The fact that these proposals have been made, that these reforms have been suggested to parliament and the country, is in the first place, in my humble opinion, a clear admission that the policies pursued by the government for the past four years have been a failure so far as relieving the economic conditions that have prevailed in this dominion. It is an admission that high tariffs have not proven a remedy for the evils from which we are suffering, that the dumping laws have been no remedy, that the public works that have been inaugurated to relieve unemployment and the dole which has been given to millions of our people have not proven a remedy for the economic ills of this dominion.

But there is this one thing at least that I am thankful for to the Prime Minister, and that is that he has brought a reality into the situation that was formerly lacking in all the public discussions throughout Canada. Now it appears that the problem of employment and the problem of unemployment are about to become the paramount issues. I am very glad that such is the case, for during the past nine or ten years that I have been a member of this house, year in and year out I have brought to the attention of parliament proposals in the nature of reforms and various suggestions that have been made by the small group of which I happen to be a member and which received at that time only scant consideration. If time will permit I hope to put on the records of this house some of those proposals.

The government's new proposals include unemployment insurance, insurance against sickness and invalidity, and insurance against old age. They promise to bring in legislation to regulate the hours of labour and also wages. There are also to be a number of relief works instituted in various parts of the dominion. But at the very best, Mr. Speaker, relief works and the dole are only temporary in their character, and if we are to deal fund-

amentally with this problem of unemployment we have to go far beyond merely providing relief works for those who happen to be out of work.

The other day the Prime Minister made reference to a loan of $100,000,000 which he had obtained in the United States in the year 1930 for the purpose of giving relief to the unemployed of this country, and for the purpose of carrying on public relief projects. I had no objection at that time, in the short session of 1930, to the Prime Minister going to New York, and if I remember correctly to the firm of Morgan and Company and obtaining this loan for the dominion, but it did seem to me an anomalous procedure, and I would not have referred to it to-day except that the Prime Minister brought it to the attention of the house in his speech during this debate.

That money was required to give to the men and women who were out of work in this country sustenance and relief. A portion of that money was earmarked for what has been termed the dole, to provide food, clothing and shelter to the men, women and children of Canada who at that time most unfortunately were without these necessities. It seemed so ridiculous to me because we had food, clothing and shelter in this country in abundance. Out on the prairies we had more wheat and more food than we knew what to do with. Our warehouses were full of clothing, and our carpenters and builders were walking the streets anxious to construct homes for the people to live in, and yet Mr. Speaker, before our people, before the great masses who were out of work and hungry in this country could eat the foodstuffs which they themselves had produced, they had to get permission from Morgan and Company in the city of New York. If you can show me a more anomalous and ridiculous situation than for us to have to go to a foreign country to get permission to eat the foodstuffs which we ourselves have produced, and are not allowed to consume I would like to know where you could possibly find it.

It has become quite a common and almost a fashionable thing during the past few months to condemn the capitalist system. This afternoon I am not going to condemn capitalists. I have condemned the system quite long enough now. The Prime Minister in his addresses has spoken on more than one occasion of the defects of the capitalist system, and I have been very anxious to hear him speak more particularly on what in his opinion were the defects in the system and what exactly would be done to relieve the situation. I do not think, Mr. Speaker, that we can get rid of unemployment and the evils of unemployment within the confines of the capitalist structure.

May I here refer for a few moments to what they have been doing in the United States during the last couple of years. There they had a vast army of unemployed, the same as we have had here, and for a period of two years they have been pumping into the economic structure of that country approximately thirty billions of dollars—a staggering sum of money which the average human mind can hardly realize. And yet in spite of the fact that they have pumped into the economic life of that country thirty billions of dollars, conditions in the United States are hardly any better to-day than they were two or three years ago. There must be a reason for that. If the pumping of so much money into their economic structure can have so little effect, then naturally one is impelled to ask: Why is it that in spite of all these efforts that have been made in the United States there still persists this unemployment problem which as yet they have hardly touched? Here may I say that in discussing this question in this house a year or so ago I made observations to this effect: I said that what they are trying to do in the United States is to create a cooperative structure within the confines of the competitive capitalist structure, and I said that it was impossible to have a structure which was at one and the same time both competitive and cooperative. I claimed that sooner or later one must give way to the other, and much sooner than one might have expected the cooperative efforts of the government of the United States have given way to the competitive system, and probably within a comparatively short time we shall find the United States proceeding on completely different lines in a further attempt to solve the unemployment conditions that prevail to the south of the line. Therefore, if there has been no basic improvement in conditions to the south of the line as a result of the spending of the vast sums of money to which I have referred, it means that if we in this country are to end or even to alleviate unemployment we shall have to look in some other direction than that which has been followed in the United States. At all times we have looked in the direction of creating more work to provide more employment. I submit that our first and basic consideration should be to provide not more work but more consumption of goods among the people of Canada. There is to-day no lack of productive capacity if the

people were given an opportunity to consume; but there is that great lack of consumptive opportunity amongst the great masses of our people. We have found during the past few years that there has been a wide spread between actual production and actual consumption, and unless we can get a reasonable balance between consumption and production then we shall continue to have unemployment and poverty on our hands and in our midst just as we have at the present time.

As a member of the labour group in this house, I say that we are strongly opposed, bitterly opposed, to the curtailment of production. And we have opposed it from the very first. I well remember that when the Minister of Finance was over in Europe a year or two ago he spoke about the people there consuming more of our wheat, and this expression I lauded. But why reserve that increased consumption for the people of Europe? What about our own people in Canada? Have they no prior consideration to our own production in the dominion? Why should they not be entitled to consume more than they have the opportunity of doing at present? I submit that our whole effort should be to increase the consumptive opportunities of the people of Canada; or, to put it another way, there must be a more equitable distribution of the wealth produced in Canada than there has been up to the present time.

The plans, either of this or of any future government, if the economic situation is to be relieved, should be considered from this particular angle, because I hold that it is only as we increase the actual consumption of goods by the people of the country that we shall make any impression upon the economic distress now prevalent. Unemployment is inherent in the capitalistic system. I want to see unemployment and all that it implies in the way of poverty and so forth entirely eliminated. But if we cannot have it eliminated immediately I am prepared to do all I can as a member of this house to alleviate and mitigate conditions with the ultimate objective of completely eliminating unemployment from our midst.

Now what the average citizen of Canada is looking for is some security in life. This he has not at the present time. The million or so who to-day are on relief have no security and very little hope for the future. The other day the Prime Minister gave the house some figures in reference to the unemployment situation. He claimed that between 1932 and the present time, from a peak of 750,000 those out of work had decreased to approximately 400,000; I do not know very much about these figures and I have not had time to examine them, but I presume they have been prepared by competent statisticians. I do know however that in the large industrial centres where unemployment is prevalent, where there are so many people on relief and where the relief figures bear eloquent testimony to the unemployment situation as it exists in most of those large centres, the decrease in the number on relief is approximately 10 per cent. If this is the case there must certainly be a most serious problem confronting us at the present time.

When I look at the government's proposals I want to see how they fit in with some of the suggestions I have made. How would they give the average Canadian more security in life than he has to-day? How would they give him a better standard of living than he now enjoys? How would they give the man or woman out of work an opportunity to obtain a livelihood and work?

Coming to unemployment insurance, I may point out that this is a matter to which I have directed the attention of the houses for the past nine years as the records of Hansard will show. To my way of thinking, unemployment insurance is a very desirable objective. It is a proposal which I will support provided the bill meets the essentials of what I should regard as a comprehensive scheme of unemployment insurance in this dominion. But to-day we have reached a stage in the economic life of this country where any scheme of unemployment insurance if it is on a contributory basis will take care, not of those who are out of work at the present time—they will be left alone—but of those who are to-day employed and who may a year or two hence find themselves out of work. If therefore we deal with the unemployment insurance problem any measure such as that is not going to alleviate the immediate distress among our Canadian citizens who are at present out of work.

With regard to sickness and invalidity, any bill which is brought in and which will ensure against these evils will without the slightest doubt receive my unhesitating support. But there is a question which I must ask with regard to old age pensions. It has been foreshadowed by the Prime Minister in somewhat ambiguous terms that he is going to bring into being a system of contributory old age pensions. I say his language is rather ambiguous because I hardly understand what he means when he speaks of a contributory system of old age pensions. If he implies that he is going to place on a contributory basis

the pension system which is now in effect in Canada, then I will strongly oppose any bill of that kind. Any pension which is received under the provisions of the act of 1926 is given as a right: in fact, in my opinion, it is more of a right than the pensions given generals, judges and officials of the government. But if the Prime Minister's statement implies that he is going to follow in effect the system in Great Britain, then I am prepared to give it the sympathetic consideration which such a proposal naturally deserves. For in Great Britain there is a dual system of old age pensions. Between the ages of 65 and 70 it is on a contributory basis; after 70 the entire cost of the pension becomes a responsibility of the government. If there is going to be a contributory old age pension in Canada, I do hope the first thing the Prime Minister will do will be to bring down the age level of those who are entitled to its benefits and thereby perhaps help somewhat to relieve a congested labour market.

I now come to minimum wage laws and a maximum work week. I attach more importance to a minimum wage law and a maximum work week than I do to the proposed measure dealing with unemployment insurance. I attach far more importance to that aspect of his proposed legislation than I do to anything else appearing in the speech from the throne, for if the Prime Minister or the government wills and parliament wills, by establishing a low maximum working week and a high minimum wage, he can do more to relieve the unemployment situation than anything else he has done during the whole time he has been in office. The time has come when there should be a complete revision of our maximum working week and minimum wage laws. Our minimum wage laws are altogether too low and our working week is altogether too high. If we are ever going to absorb the masses of our unemployed into the productive life of this country, this can be done only by a restriction of the hours of labour. I know there are many hon. members, possibly on both sides of the house, who have a strong objection to both minimum wage laws and a maximum work week. Well, those laws have been in effect in this country for quite a number of years, but I believe by attempting to put a national law into effect, one that will be the same in all the provinces as regards both wages and a maximum work week, we can go a long way towards doing something for those who at the present time are unemployed. I know it will be said that this will have the effect of increasing price levels. I know it will also be said that it is

pretty hard to do all these things within the confines of the existing economic structure. I realize such a law, that is for a maximum work week and a minimum wage, may have the effect of cutting very deeply into the profits of many of our corporations, but if I have to choose between the profits of our corporations and providing for the well-being of the masses of our people, I am going to be on the side of the masses. As I said before, the spread between wages, which in many ways means consumption, and production must be reduced, and one of the few ways by which we can reduce that spread is by insisting on and maintaining a high minimum wage level in our industrial life.

I come now to another point in the discussion concerning the problems with which I have just dealt: I come to the question of the attitude of the provinces. I know some of our provinces are very jealous of their rights. I am not going to blame any of them for that jealousy, but I think there comes a time in the life of possibly all of us when something of great importance must transcend our own personal interest. So now in the life of the Dominion of Canada there has come a time when the enactment of legislation as foreshadowed by the government must take precedence over certain of the rights of the provinces. It has been realized time and time again that as regards the questions of minimum wage laws, maximum working week, unemployment insurance and so on, there must be in the dominion a centralized authority, because without such an authority we could have no successful scheme in operation of any of these laws. Instead of there being opposition from the provinces at this juncture, I hope every one of the nine provinces will attempt to cooperate with parliament and the government, however one cares to put it, so that there may be brought into effect in the dominion something that will be of lasting benefit to our people. The common weal of the Canadian people at this time transcends in importance some of the constitutional issues that may be raised by those who are not in favour of this form of legislation and who no doubt will be opposed to it. No province can isolate itself from the rest of the dominion any more than the dominion can isolate itself from the other nations of the world. So I sincerely hope the provinces will join the central authority, namely, the federal parliament, in its corporate capacity to bring about legislation that will at least leave, as I said before, a lasting impression on the social and economic life of the dominion.

I said previously a word or two in regard to the efforts that have been made by hon. members in this corner of the house to further social legislation. I am glad to see that after all these thirteen years of effort by various members of the independent groups we have at last reached a stage where the feeling is practically unanimous that legislation along the lines we have suggested should be put upon the statute books. I hope when the legislation comes before the house none of us will be disappointed. I accept the assurances of the government that the legislation will be of such a character that it will accomplish something worth while.

May I now go back to give a brief synopsis of the situation. In 1919, after the war, when there was a great deal of unrest in the dominion, the then government appointed a commission to inquire into industrial unrest and it was asked to make as speedy a report as possible on many of the problems of that day. That commission reported that among other matters, industrial unrest was caused by unemployment and the fear of unemployment. In other words, they felt that unemployment and the fear of unemployment caused amongst the workers a sense of insecurity and this was more the cause of unrest than anything else they were able to ascertain during the period of investigation. So they recommended another committee to investigate the whole question of unemployment, sickness and invalidity insurance with a view to early legislation and with, of course the federal government acting in the matter.

A few months later at a convention of the Liberal party, they embodied the proposals of this royal commission in one of the planks of their platform. If I may read the exact plank of the platform of the party, it is as follows:

> 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 disabilities which will include old age 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 provinces by effective cooperation between the several provinces.

Now let me turn from this plank in the Liberal platform of 1919 and jump to the Conservative platform of 1927, adopted at the convention held in Winnipeg in the fall of that year. The following resolution under the heading Capital and Labour was adopted and inserted in its platform:

> So far as is practicable to support social legislation to design and conserve human life, health and temperance, to relieve distress during periods of unemployment, sickness and old age.

It will be observed that there is a good deal in common between what the Conservative party proposed in 1927 and what the Liberal party proposed in 1919.

Then I come to the parliamentary session of 1926. There we find in the records of the house some of the earliest efforts made to get social legislation enacted by parliament. On January 7, 1926, my hon. friend the member for Winnipeg North Centre (Mr. Woodsworth) wrote certain communications to the then leader of the house, now the leader of the opposition (Mr. Mackenzie King) and to the then leader of the opposition now the leader of the government in the Senate Mr. Meighen. These communications have been put on the records of the house so often that I shall not weary the house with them at the present time, and will just say that we received communications in reply from both the leaders. From the then leader of the opposition, Right Hon. Arthur Meighen, we received replies most evasive and unsatisfactory in regard to unemployment insurance and old age pensions, but we received from the then Prime Minister, now the leader of the opposition, a reply more definite and satisfactory; and as a result no doubt of our efforts during that period we had legislation introduced in 1926 which subsequently became law. I am informed by the hon. member for Comox-Alberni (Mr. Neill) that the number of old age pensioners in Canada to-day is approximately 87,000. I had put the figure at 40,000. I am glad of the correction; it goes to show how beneficial that legislation was and how worthwhile were the efforts of my hon. colleague for Winnipeg North Centre and myself.

Mr. MACKENZIE KING: I do not wish to interrupt, but is it not a fact that two years before the communications to which the hon. member refers were written the house had already appointed a committee at the instance of the Liberal government of the day to inquire into the question of old age pensions and to study the question of jurisdiction and report upon it?

Mr. HEAPS: That is true, but that report was never adopted by the house.

Mr. MACKENZIE KING: But the old age pension legislation was a direct outcome of it.

Mr. HEAPS: No, as I said at the outset when the right hon. gentleman was not present, we get this good legislation when we have not got stable government. If we had a stable government in power now we might have had an election a year ago and might have been spared the legislation now proposed. That is a surmise, but I feel that when parties in the house are nearly balanced and the government is not certain of its tenure of office we are more likely to get something for the benefit of the country than when we have stable government.

Mr. MUNN: Is it not true that old age pension legislation was enacted by the provincial government of British Columbia years before it was put into effect in this house?

Mr. HEAPS: No, I think the provincial government of British Columbia was the first to take advantage of the legislation passed in this house. But it was not effective there before the act was passed in this parliament. However, I am not going to quarrel over that aspect of the question.

On March 15, 1926, my hon. friend the member for Winnipeg North Centre moved in this house the following resolution:

That, in the opinion of this house, a wage sufficient to provide for a reasonable standard of living should constitute a legal minimum wage.

I am glad to say the whole house consented to it, but of course we have had no definite action until now.

Mr. MUNN: We had in British Columbia.

Mr. HEAPS: I am speaking of the federal government. I know that British Columbia is a remarkable province, has a remarkable contingent in this house and some remarkable legislation.

On Wednesday, March 16, 1927, the following resolution was introduced in the house by myself:

That, in the opinion of this house, the committee on industrial and international relations be instructed to investigate and report on the establishment of a system of insurance against unemployment, sickness and invalidity.

This motion was talked out on that occasion, on a Wednesday afternoon, which I remember very well and about which the less I say the better.

In the following year, on February 16, 1928, I again introduced the same resolution word for word, but the government of the day, now the opposition, accepted the motion and it was referred to the committee on industrial and international relations. For the rest of the session of 1928 and the session of 1929 the matter was under review by that committee. However, before it went back to the committee, on February 14, 1929, I asked that the same resolution as I moved the year before be adopted by the house in order to give the committee the opportunity of considering it during the session of 1929.

In both years the committee made a report to this house. That report was in many respects somewhat ambiguous. They favoured the principle, but I have long since come to the conclusion that a little bit of action is worth more than many resolutions in the House of Commons.

On June 1, 1928, the committee submitted to this house its first report, recognizing the necessity of providing some form of unemployment insurance, and that it would have to be dealt with before very long. It also recognized the question of jurisdiction as between the provinces and the dominion in clause 3 of the report. I think we all recognize that there is this question of jurisdiction as between federal and provincial authorities, a very important issue.

On May 1, 1929, when the second report came before this house, I was not satisfied that the committee had gone as far as it could. It is not enough merely to point out the difficulties inherent in our constitution in connection with this sort of legislation. On Thursday, May 23, the chairman of the committee submitted the report in the house for its approval, and I asked by way of amendment that the report be referred back to the committee on industrial and international relations with the following instruction:

That the said report of the select standing committee on industrial and international relations be not now concurred in but that it be referred back to the select standing committee on industrial and international relations with instructions that they have power to amend the same by adding thereto a clause recommending 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.

My purpose at that time, in moving that the report of the committee on industrial relations be amended, was to have the house take concrete and definite action. It is quite true that in 1929 the unemployment situation was not as serious as it is at the present time, but we knew that as surely as night follows day, cycles of depression follow cycles

of prosperity. So I wanted the report referred back, with the idea of bringing in some legislation which could be adopted by the provinces exactly as they have adopted the federal legislation in regard to the old age pension measure.

At that time my amendment was ridiculed; lawyers on both sides of the house rose and told me how badly it was drafted, how impossible it was, and how it was ultra vires of the constitution. When the matter came to a vote we saw all the Liberals and Conservatives vote against the amendment, with only eighteen or twenty members of the house supporting it. My amendment was defeated, and that was the last we heard about unemployment insurance for some little time. However, the unemployment situation became worse, and on March 31, 1930, the following year, on going into supply I moved:

—in the opinion of this house the government should take immediate action to deal with the question of unemployment.

Again I raised the question of unemployment insurance.

Mr. SPEAKER: The hon. gentleman has spoken for forty minutes.

Mr. HEAPS: I am sorry that my time is up, Mr. Speaker, but I shall take the opportunity, perhaps when one of the bills is before the house, to present the remainder of the data I have before me respecting efforts made to secure action respecting social legislation.

Motion (Mr. Rowe) agreed to.

Right Hon. R. B. BENNETT (Prime Minister) moved:

That the address be engrossed and transmitted to His Excellency the Governor General by such members of the house as are of the honourable the Privy Council.

Motion agreed to.

SUPPLY

Hon. E. N. RHODES (Minister of Finance) moved:

That this house will, at its next sitting, resolve itself into a committee to consider of a supply to be granted to His Majesty.

Mr. MACKENZIE KING: This is just giving notice that to-morrow the motion will be moved?

Mr. RHODES: No, I am moving it now.

Mr. MACKENZIE KING: I think notice has to be given.

Mr. RHODES: I think not, according to the rules.

Mr. MACKENZIE KING: Is my hon. friend quite sure of that?

Mr. RHODES: Mr. Speaker, the right hon. leader of the opposition raises the question of whether notice is required. I am advised that it is not. Rule 57 reads as follows:

The house will appoint the committees of supply and ways and means at the commencement of every session, so soon as an address has been agreed to, in answer to His Excellency's speech.

No notice is required or ever has been given, I am advised.

Mr. MACKENZIE KING: I was rather surprised that the government did not give notice at a previous sitting.

Mr. BENNETT: My right hon. friend will remember that last session I brought in the motion before the address was adopted. Probably that is what he has in mind.

Motion agreed to.

WAYS AND MEANS

Hon. E. N. RHODES (Minister of Finance) moved:

That this house will at its next sitting resolve itself into a committee to consider the ways and means for raising the supply to be granted to His Majesty.

Motion agreed to.

MAIN ESTIMATES, 1935-36

Hon. E. N. RHODES (Minister of Finance) moved:

That the estimates tabled on the 23rd instant, together with the accompanying message of His Excellency, be referred to the committee of supply.

Motion agreed to.

HOUSING POLICY

PROPOSED NATIONAL POLICY OF BUILDING AND RECONSTRUCTION AS ECONOMIC AND SOCIAL NECESSITY

The house resumed from Wednesday, January 23, consideration of the motion of Mr. Church:

That in the opinion of this house Canada should inaugurate at once a national housing, building and reconstruction policy adapted to its circumstances, and that such a policy is an economic and social necessity and in the best interests of the people of our country.

Mr. T. L. CHURCH (East Toronto): Mr. Speaker, I do not wish to detain the house for more than a few moments this afternoon

in discussing the motion which I introduced at about twelve minutes to six yesterday afternoon.

I have had many requests for the introduction of such a resolution from the riding I now represent. Mine is an industrial constituency with over 300 large and small industries. In that constituency there is a great deal of unemployment among the old citizens; many plasterers, carpenters, bricklayers and builders of all kinds are out of work. May I say that I agree with the remarks made by the distinguished Prime Minister in the city of Montreal last night. This is a most involved problem affecting the whole country, but as a people I say we cannot go into it in the wholesale manner the motherland has adopted. Over there about £400,000,000 have been invested in a housing scheme, leaving a burden on business which posterity will have to pay.

I must say however that there are some features of the problem which as a House of Commons we should consider. My personal view is that interest rates on mortgages should be substantially reduced. I do not approach this matter from a party standpoint but have adopted only the economic point of view. It is a question which I think should commend itself to all parties in the house. In adopting a decrease in interest rates on mortgages we would be marching along with the times and following the vigorous leadership given by the federal, provincial and municipal governments which have very materially reduced the interest rates on new bond issues. Those governments are finding no difficulty in having the rates cut almost in two and having their loans taken up.

Although the banks have not reduced the rates on call loans, and although they are still receiving seven or eight per cent they have cut the rates on deposits from three per cent to two per cent. This action in my opinion releases large sums which could be made available for builders and other investors. Builders have great difficulty in paying seven per cent or eight per cent in these depression years. Last year one hon. member stated that shark loan companies had been operating in the city of Toronto from which I come and that those companies had been charging from 25 per cent to 45 per cent on money for second mortgages. The payment of rates of seven per cent or eight per cent during depression years involves a very heavy bunden on small loan mortgagors who are heavily taxed. There have been great numbers of sales for taxes in almost every municipality in Canada and it is my opinion money cannot earn the high rates it earned before. Some action could be taken along these lines. Investors who got seven or eight per cent on their money will have to be satisfied with smaller returns on their investments, and in that connection there should be some government regulation established.

Undoubtedly reduced money rates would lead to greater building activity, something which is badly needed. It would aid any reconstruction policy and would have the effect not only of erecting new buildings but of renovating the old ones which for many years, due to high rates, have been allowed to go into a state of disrepair. The old rates of six and a half, seven or eight per cent are too high. In view of the borrowings large public bodies have been able to make at low rates the investor or the mortgagee ought to be satisfied with a reasonable return of five or five and a half per cent.

Under the British North America Act, particularly the section relating to public debt and property I believe a bonus, subvention and subsidy policy along certain standard lines might be possible. Such action would aid any housing program, the money being given to the provinces and distributed by the local agencies. In my view local agencies are a far better medium than would be a national housing commission which would cost a lot of money and might do very little or nothing to relieve the situation. The housing commission in England has resulted in a burden of untold dimensions upon the shoulders of the taxpayers. Thirteen years ago in this very house I introduced a motion respecting national coal supply, providing bonuses, subventions and subsidies for the industries in the maritime provinces. The same motion had to do with the man who grows grain on the prairie provinces. That motion was almost laughed out of the house and was voted down, although the party to which I belong supported it consistently, due to the fact that it has always been a protectionist party. I believe the policy along these lines which the Conservative party adopted away back in 1922 or 1923 has done a great deal to help tide this country through the depression years. I may mention the present leader of the government was one of the most outspoken in support of that policy which affected the miners of the province of Alberta.

I am suggesting that a change might be made in that section of the British North America Act having to do with public debt and property, and provision could be made the same as it has been made for old age pensions, and other things. Local authorities

should concentrate on the elimination of slums in the larger cities, and the rehousing of those people displaced through the improvement in conditions. In my view private enterprise should not be opposed by state aided competition, except under rare and exceptional circumstances. There is no reason why one citizen rather than another should obtain a subsidy from the taxpayer to help him pay his rent. The situation would be different if the country decided that a housing scheme should be considered a public service, and be treated in the same way as education. Under such circumstances such a general policy would be logical. It should then be for the general good and be for the benefit of everybody, not just the newcomers. However for a country with a debt as high as that of Canada such a scheme would be an absurdity.

Any help we gave should be given only after adequate inquiry by the Department of Trade and Commerce, the Department of Labour, and only after a careful survey. The money should be given to municipal authorities under a carefully defined plan. As I have stated I am opposed to and believe there is no necessity for a national housing commission. My belief is that already we have too many commissions spending money. Any plan which might be adopted should also include rural housing. In many rural communities this matter is one of vital importance. Particularly is that true of northern Ontario, that part of the province where the Dionne family live. Only a short time ago owing to the illness of the hon. member for Muskoka-Ontario (Mr. McGibbon) I had the privilege of speaking at the town of Bracebridge. On my way home I had an opportunity to see some of the shacks in which those rural people have to live during the winter months. I can say only this, that if we had not spent so much money on railways and state aid for privately owned railways, and had spent a million dollars of that money in a housing scheme for those people we would have done something much more to our credit.

The first duty of a government is to look after the health, comfort and welfare of its people. This motion is wrapped up with the subject of public health, because I believe housing and public health are subjects closely connected. Further, any housing scheme would be a boon to the unemployed.

We should make an effort to erect small houses, to rent at low rentals. The particular problem is local, as I see it, and is closely wrapped up with the problems of good roads, transportation, water supply, lighting and drainage. There should be power to levy rates for these purposes. In 1917 the city of Toronto started a housing policy largely to relieve unemployment. Toronto has been a pioneer in housing under its medical officer of health, the late Doctor Hastings, a man who did more for public health in this country than any man I know. He established a health department in Toronto which was a model for the whole country. He was strongly of the opinion that we should do something in the matter of housing, believing that it would be a good step forward in public health and in caring for the welfare and comfort of the people especially the children and infants. Toronto has spent a large sum of money erecting houses in the constituency which I now represent in this house. It was not a financial success because we required federal and provincial cooperation, which we were unable to get. At that very time hundreds of millions of dollars were being voted in this house for railways which are to-day bankrupt and a burden on the people. It would have been far better to divert a part of those millions to housing and to the elimination of some of the slums that exist in this country to-day. A wave of emotion seems to be sweeping our country on the subject of slums, and we shall have to be very careful to see that a proper survey is made and that our policy is adapted to our special circumstances. It will need oversight if we are to benefit to the full from a public policy on housing. We shall have to consider whether the people who move into these new dwellings will be able to pay the new rents. We must also beware lest the big heritage of debt be so heavy that posterity will have to pay it. The debt of this country is composed largely of the war debts and railway debt. It is a great burden at the present time on business. The Conservative party sitting on this side of the house has always resisted any effort to place on business any heavier burdens than business was able to bear, and it has tried to avoid placing any artificial barriers in the way of the small business man who feels so heavily the burden of debt and taxation.

The people of England brought down in their budget last year the sum of £16,000,000 which the taxpayers of the motherland were asked to provide for a housing scheme to cover the twelve months of this year. As I said in this house yesterday, in reply to my hon. friend from Queens-Lunenburg (Mr. Ernst) I refer to Magna Charta in this connection because of the unemployment and the high taxes and the high mortgage interest that many men have hanging over their heads to-day. I do not see the hon. member for

North York (Mr. Mulock) or the hon. member for South York (Mr. McGregor) or the hon. member for West York (Mr. Lawson) at the moment, but I have passed along the highways in their constituencies and many times I have seen the red flag of the bailiff flying over the homes of poor men who have lost their property. Even to-day we are imprisoning people for debt. I have seen people taken from the city hall in Toronto and placed in jail for debt.

I say here and now, Mr. Speaker, that the statesmen of the Edwardian and Georgian eras must bear before the bar of history some of the blame for their failure to deal with this question of slums, for their failure to cope with the problems of housing and unemployment, and with the effect on unemployment caused by the advancement of science and the use of machinery. The people of this country, as I said the other day are becoming very largely a nation of machine minders. A woman can mind a machine as well as a man, and the result has been that we have a large increase in female unemployment and a decrease in male employment. I believe that there can be no liberty when man is at the mercy of economic conditions which are beyond his control, and which react upon the women and children of the country. Unemployment, it is well known contributes to the deterioration of our whole people and the losses it causes amount to hundreds of millions of dollars a year. So far-reaching are its effects that generations yet unborn will have to pay for this disaster of unemployment which has come upon the men and women of this country.

In 1930 I brought this question of housing before the house, but no attention was paid to it. Just a few days before the house prorogued in 1930 I asked a question of the then Minister of Labour, now in the Ontario house, and he told me that unemployment was a matter for the provinces and the municipalities. We are paying now, Mr. Speaker, for thirty years of neglect of this problem of unemployment, with which the housing problem is wrapped up more closely than any other.

England has recovered more rapidly from the depression probably than any other country, and that was because they were ready for unemployment. They had a housing policy, and they have had unemployment and sickness insurance for the past twenty-three years, as well as many other forms of assistance which have helped them to tide over the depression. Their recovery has been much faster than that of the United States or Canada, which are faced with similar problems. The mother country is a pioneer in abolishing slums. What they have done in that direction is marvellous. Several million new homes have been constructed in the motherland in the fifteen years since the war.

I might refer to the budget that was presented to the British parliament on April 17th last. I quote from an article The Budget and Slums by B. S. Townroe, M. A.:

> In the budget presented to parliament on April 17, provision is made for over £16,000,000 to be taken out of the pockets of the taxpayers for housing subsidies.
>
> This heavy levy on public funds is only a part of the bill in connection with housing. In addition, every ratepayer in the United Kingdom has to contribute his quota of the rates towards these housing subsidies, and helps to meet weekly losses on nearly a million municipal dwellings. Every year sees a steady increase of the loss, and in the years to come our children and grandchildren will still be paying for houses, which by then will be obsolete in design, and in certain cases have already deteriorated into slums.
>
> Some idea of the rapidity of the increase was given by Mr. Chamberlain, who stated that the total amounts paid by the state on account of housing subsidies were £13,668,333 for 1930-31; £14,520,831 in 1931-32; and £15,214,726 in 1932-33.
>
> No one can estimate with certainty the extent to which the public purse will be further burdened owing to the very generous subsidies now being offered by the National government in order to stimulate slum clearance. The ascertainment of the capital value of the various subsidies offered is by no means easy, for it alters from one-half year to another according to the rates of interest.
>
> The truth of course, of the position is that, not only in Leeds, but elsewhere, municipal tenants have become so accustomed to receiving an indirect dole in the form of an unduly low rent, that they very naturally resent any attempt to dislodge them from their privileged position.
>
> Under the Addison scheme of 1919, 173,000 houses were built. The loss on each of these dwellings amounts to about 15s. per week, paid by taxpayers and ratepayers, and this debt, a legacy of the Coalition, will not be wiped out entirely until after 1982. We shall, in short, go on paying, dependent to a limited extent on rates of interest, nearly £40 a year, for half a century, for each Addison home.

As I say, I do not urge such a scheme on the people of this country because the country could not stand it. But the provinces and municipalities with the active cooperation of the government might urge the loan companies, the banks and the insurance companies to take some action. They have received a great deal of state aid in Canada, and a great many of the policyholders of the large insurance companies find to-day that they cannot pay the rates that now prevail. But these large companies have a good deal of money

hoarded, money which they hold in trust for the public, and I suggest that instead of losing a lot of money in common stocks throughout the world they might very well lend a small portion of it at a low rate of interest to the small policyholders. Had this been done long ago it would have been a blessing to the people of Canada. Owing to the rapid strides which preventive medicine has made in the last twenty-five years, through surgery and science, the death rate has been reduced very materially per thousand and the people have not received the benefit of this in connection with their insurance. I say therefore that the banks and insurance companies might be urged to do something along the line I suggest.

I have here a copy of a report submitted by a committee of investigation which has been looking into housing conditions in the city of Toronto. I do not agree with all of its conclusions, some of which are extravagant; but this commission has been certainly a great boon to the public. It has brought to light, in one of the pioneer cities of Canada, conditions that need remedying. I quote the following from the report:

> Our survey of Toronto housing conditions reveals that there are thousands of families living in houses which are unsanitary, verminous, and grossly overcrowded. The committee confidently estimates that the number of dwellings which for these and other reasons constitute a definite menace to the health and decency of the occupants is certainly not less than 2,000 and may be more than 3,000. In addition there are probably half as many houses again which, while not in the same sense menacing, nevertheless lack the elementary amenities of life.
>
> Bad houses are scattered all across the city; but they have clustered in down-town districts, conspicuously in Moss Park and the Ward. Here the evils of the houses themselves are aggravated by the incessant traffic and by the proximity of factories and warehouses. Here the problem of reconstruction is most urgent.
>
> Bad houses are not only a menace: they are active agents of destruction. The committee is satisfied from its investigations and inquiries that they destroy happiness, health and life. They destroy morality and family ties. They destroy the basis of society itself by their destruction of self-respect and their promotion of delinquency and crime.

These conditions are bad enough, but they are not as bad in Toronto as in any other city. There is however urgent need to do something to meet this problem. In the early days the average citizen owned his own house or a cow or a store. To-day we are becoming a nation which is divided into the haves and the have nots, and those who have are very few. The means of production are in the hands of a few people. In the old days of Macdonald and Brown and Cartier the people at large owned some property. To-day, under modern capitalism it is far different. In my opinion the aim of this house should be to provide a job for every man. As I say, most Canadians in the early days were property owners; they owned real estate, their own homes, farms or small factories, and ownership was the basic institution in Canada's life. But big business has been destroying the traditional Canada of which I speak. I am glad therefore to see that the Conservative party is now doing something to rectify conditions and solve the question of distributism, so that we may restore Canada to the status it held under Macdonald, Brown and Cartier, when this was a land of free homes, artisans and farmers owning real property. Private property was the basis of our life then.

I am glad to see that a reconstruction policy is to be undertaken. We have in Canada a capacity of 42 million horse power but so far we have developed only one-sixth of it. Now in my opinion we should long ago have had a housing and a reconstruction policy in Canada. I think that a hydro electric policy to distribute power to the two central provinces as well as the other industrial areas of Canada would be an excellent thing. I was asked by a deputation of my constituents to bring this matter to the attention of the house, and I promised to do so. While our powers are limited, there is no reason why we should not make a study of the British system as well as of what is going on in the United States and in other parts of the world. We cannot undertake things on the elaborate scale we find in the motherland, but I suggest that there might be a generous subsidy to the provinces, distributed for the following among other purposes: First, to encourage rebuilding and reconstruction in urban, rural and suburban territories; second, to encourage reconditioning and rebuilding as well as renovations in urban and suburban areas, and third, to encourage the small home owner and private builders, it being necessary to do something to reduce rates. Further, I urge the necessity of clearing down all slums and encouraging private enterprise to build homes, with or without state aid, through building societies or through loan companies, so as to abate overcrowding and reduce mortgage rates along the lines I have indicated.

I wish to compliment the leader of the government on what he has done in getting our party back to the masses where it belongs. Macdonald and Laurier did not have to contend with the conditions that confront him and I congratulate him on the announcement

he made last night in Montreal that there is to be a reconstruction policy, which I understand from the newspapers will involve some $40,000,000. I am glad also that something is to be done with regard to housing, commensurate with the needs of the country and the ability of the taxpayer to pay, in view of the state of the country's finances. There is no reason why this policy should not be supported by the Progressive and the Liberal parties, for it is good Liberal doctrine. It seems to me that the government in the old country is to be commended. While it is true that it may be called a Labour government, it is supported by the Conservative party there, and it is certainly to be congratulated on the reforms which it is carrying out. I believe all parties in the house should unite and do something to try not only to cure this defect but to help to remedy this unemployment that is bearing so heavily upon our people.

The hon. member for Parry Sound (Mr. Arthurs) will second the motion.

Mr. JAMES ARTHURS (Parry Sound): Mr. Speaker I have supported the resolution of the hon. member for East Toronto (Mr. Church) from a partly different viewpoint. I am not altogether in favour of every argument he has advanced in support of this resolution, but I have a vivid recollection of 1919 when the then dominion government decided to appropriate an amount of, I think, $20,000,000 or $25,000,000 for the purpose of a housing scheme. The result of this was to give employment to a great number of men. The money was distributed, as I remember, according to population and as a result the government has received back from most, if not all of the provinces, the total amount of the capital expenditure. This scheme at that time produced certain results that were beneficial to the country as a whole.

We must remember, too, that the building industry as such is composed of at least ninety to ninety-five per cent of labour and I say that after careful study of the situation. We have, for instance, the steel industry in Canada which supplies the wants of most of our Canadian building industries. We have the cement industry, the brick industry, the lumber industry and all those others that combine to make a house for an ordinary man in an ordinary situation. In every one of these cases it will be found that on the average the labour costs are at least ninety per cent of the whole. Therefore, any policy that might be enunciated by any government in Great Britain or any other country, would have the advantage of giving employment to the extent of ninety to ninety-five per cent of the total expenditure.

There is no doubt at the present time the building situation in Canada as in many other countries is at an absolute standstill. We have not the ordinary amount of capital flowing from our insurance companies or from other sources which are willing to accept mortgages at the present mortgage rates. The result is that the building industry in cities like Toronto, Montreal and many others is at an absolute standstill and two and even three families are being crowded into premises which originally were designed to house only one. I am not interested in this proposition except perhaps from this viewpoint, that I represent a riding which is concerned largely with the lumbering industry and partly with the other industries connected with the building program. We also wish to build more freely and under better conditions, just the same as the city of Toronto does. I am sure this is equally true of Montreal, Sorel or any other city in Quebec, and it is equally true in the western provinces. I am desirous of having this government if possible enunciate a policy which will tend to relieve the situation and which will give an impetus to the building of homes for our people throughout the dominion. There is no question about the fact that, as I have already stated, this money will eventually go to the extent of ninety-five per cent into the hands of our wage earners. I can conceive of nothing which would do more to better the present situation than a proposal of this kind.

I represent a riding which is partly lumbering, partly farming. During the winter the farmers depend to a great extent upon the lumbering industry, and this has been cut off, not because of hard times, but simply because the building industry has been strangled by one means or another; and I have no intention of saying what those means are. But I believe if the government would accept a policy of this kind and do what is possible, as was done in 1919, to relieve the housing situation, they would accomplish a great deal and would be doing it in the right way.

Mr. G. G. COOTE (Macleod): Mr. Speaker, I would like to commend the hon. member for East Toronto (Mr. Church) for introducing the resolution which is now before the house. It is one of the most sensible which he could have introduced and naturally I should commend it seeing that I urged such a project upon the government in 1932 and introduced a resolution somewhat similar in character a year ago. The fact that Great Britain and the United States have both engaged very

actively in the construction of houses for their people during the last two or three years lends a good deal of added weight to our request or demand for government action along this line at this time.

I believe this is what a housing project at the present time would mean; it would be bringing idle men and idle equipment together and employing them on our natural resources to create real wealth in the shape of houses that are very much needed in Canada.

Mr. ST-PERE: There is no shortage of houses in Montreal.

Mr. COOTE: I would like to stress the need of good homes in Canada because of the climate in which we live, and while I do not want to advertise our climate as not being a good one, it is such that our people should be able to enjoy the benefit of good warm modern homes whereas about one-half of our houses are not of that type. A large percentage of the people in our part of the country are living in what we call shacks, and a large percentage of those in the cities are living in what are termed slums. The bureau of statistics, I know, has considerable information upon this subject, information that was gathered when the census was taken in 1931. Unfortunately, that information has not yet been made available to us in pamphlet form. I understand it will very soon be available and I regret it has been so long delayed. Of course I realize that is because the bureau has been a little short of help in compiling the statistics in that form. I know there is a need for many more rural homes—and I say "homes" advisedly, because as to many of the places in which our people are living it is a little difficult to call them homes, they are so inadequate. Only five per cent of the farm homes in Canada are equipped with bathrooms with running water. Six hundred and fifty thousand farm homes in Canada should be equipped to-day with modern facilities, and in any housing project which may be started should take cognizance of that situation. In other words, the project should be such that many of these houses in the country could be changed into modern homes. I mean that in addition to building new houses it should be possible to have a scheme for financing the rehabilitation of a lot of houses that now exist.

I have here a few facts gathered by a housing commission in the city of Halifax a few years ago. I placed them on Hansard in March, 1932, and seeing that no steps have been taken, as far as I know, to remedy these conditions I would like to quote two or three of them again. I am sure they are indicative of conditions that exist in other cities of Canada as well. They showed that in one case, for one room in a cellar occupied by five persons, a monthly rental of $10 was being collected. In another case people were paying $6 a month for one room in a cellar occupied by seven persons. In another case $12 was being paid for living quarters in the loft of a barn occupied by six persons. Seven rooms were occupied by twenty-eight persons at a rental of $150 per month. In another case two cellar rooms occupied by eight persons cost $10 per month. In one case one dark room with door only was occupied by three persons for which they paid $10 a month. Many other somewhat similar instances are quoted in that report. I say again I do not think this applies only or particularly to the city of Halifax; it is a situation that can be duplicated in many of our cities. I am simply trying to make the point clear that houses are needed both in the cities and in the rural communities. We have in Canada everything necessary for the construction of houses—concrete, brick, stone, lumber; I think all kinds of building material and building hardware is manufactured here. I presume even the window glass can be made in Canada, or if not we certainly could trade wheat with Belgium for it.

Mr. QUINN: Will the hon. member permit a question? Will he tell me if these rentals just quoted are charged for properties under the control of the housing commission in Halifax?

Mr. COOTE: Oh, I do not think so. I did not want to create that impression. I said these facts were published in a report issued by a local commission appointed to investigate housing conditions there.

As I say, we have all these materials; we have the architects, the engineers, the artisans, the labourers; and leaving money and credit out of account there is theoretically no impossibility about using our natural resources, our equipment and our men to construct houses for the people. These houses would be an asset on which the credit, or money, whichever you like to call it, which is necessary for the instituting of this work could be created.

I hope that if such a program is undertaken it will be financed at a very low rate of interest, because the rate of interest charged for the construction of these buildings will largely determine whether or not the people can buy them. The difference between eight per cent, which people are now paying on houses bought on the instalment plan—in one case I know of ten per cent is being paid or attempted to be paid—the difference between those rates and a rate of two per cent, which

is available, I believe, in some cases in the United States, in itself would enable these people to pay for their houses over a reasonable term of years. There has not been a time for many years when construction costs were so low, that is when houses could be constructed at as low a capital cost.

I would like to emphasize the point, brought out by the hon. member for Parry Sound (Mr. Arthurs), that housing provides more employment than most other kinds of work in relation to the amount of money expended. I have here an article from Collier's, dealing with the construction of houses in the United States, which gives some particulars of where the dollar goes. It says:

> The public works administration has tried to estimate the destiny of the dollars spent in low cost housing. Here is the way it works out: Out of every dollar spent, six cents goes to the architect, superintendents, foremen, clerks, et cetera. Thirty-eight cents goes to the building trades workers; twenty cents to the workers in the mills which make lumber, bricks, cement, plumbing, electric wiring and other fabricated materials. Another seven cents goes to workers in the raw materials industries—forests, iron, coal, et cetera. Four cents goes to workers on railroads and trucking for transporting goods et cetera. This makes seventy-five cents paid out to labour in wages. And what becomes of that? Remember the private life of the dollar I told you of. This building dollar goes to stores for shoes, hats, radios, etc., to factories, to workers in factories, to farmers and so on.

And then he says:

> Imagine two billion dollars living private lives like this.

In Canada I do not suppose we would go to the extent of two billion dollars, but whatever amount we invest in a housing scheme will largely go through the hands of labour, to circulate as indicated in that quotation.

On another page of the same article there is given a picture of some low priced homes which have been built in the United States. It shows one set of buildings and says that the average cost, including a barn in this case and a three-quarter acre plot, was $2,150.

Mr. ST-PERE: Is that in the southern states?

Mr. COOTE: It is in the state of Virginia.

Mr. ST-PERE: No wonder it would cost only $2,150.

Mr. COOTE: We could put a few hundred dollars more on that and build a good warm house. I hope if we do engage in a housing scheme the houses will be insulated to make them suitable for a climate such as we find in Ottawa to-day. These houses could be sold to the people on easy terms; under the new policy which is to be brought in I think we might expect that the people from now on will be guaranteed an income, and I do not see why under that policy every family should not in time be able to own a home. I think that should be the objective in regard to housing in Canada—every family owning a home if they want one. I see nothing impossible about carrying that out if we have the right idea in regard to the financing of such a project.

Again I say that the houses themselves will furnish an asset against which the credit necessary to finance the scheme can be issued. I hope that before this session is over the government will arrange for commencing at least what we might call an adequate housing program for the people of Canada.

Miss AGNES C. MACPHAIL (Southeast Grey): Mr. Speaker, I want to say how thoroughly I am in sympathy with this resolution. I am not, however, going to devote the short speech I intend to make to the building of houses, but rather to the repairing of houses, and not only houses but buildings in the country—country houses and farm buildings. In Ontario anyone who has been watching the countryside with an observant eye will have noticed that in the last ten years or more the buildings, including the dwelling houses, have been deteriorating. Roofs are leaking—they need new roofing; the buildings need painting; the stables in many cases need repair or replacement; the houses are almost without the conveniences that houses should have—plumbing, sanitary conveniences, and lighting fixtures. As I listened to-day to the several speeches made on the address in reply, excellent speeches, that much as I find myself in agreement with the social legislation now proposed, I have become more and more alarmed with regard to the position of the farmer. Many of these proposals, good as they are, are for those other than agriculturists, and unless something is to be done to guarantee to the farmer if not a fixed price at any rate a price level that will take care of the cost of production, including wages for the farmer and all the members of his family who work with him, I really view the future for agriculture with a good deal of misgiving.

The rural buildings in the province of Ontario need repair terribly. I am familiar with this province; as I go over it and see the sections and counties that were really beautiful

ten or fifteen years ago, and contrast with that their present condition, I cannot help but become saddened by it, as I am sure other hon. members of this house must be. I feel that if we are going to have a housing scheme, part of that scheme must have relation to the repair of such existing buildings as should be repaired, and the needs of the farmers must be particularly considered. All hon. members, as politicians, must be familiar with farm houses; some of you must have stayed in them, particularly hon. members who have constituencies which are partly rural. You know without being told how much the farmer is doing without. You know, as I do, something of what he is putting up with, the lack of reasonably good housing, of decent lighting, of sanitary conveniences, of comfortable furniture, of adequate reading material and of almost everything that goes to make up the sum total of human happiness. So, much as I favour the housing program, I want to say as emphatically as possible that any program that does not provide for the repair of such farm buildings as already exist, as well as the installation of conveniences in farm homes, is insufficient. It is a fact that many farmers who are still struggling to pay their debts, who still call themselves independent and who resent any suggestion of what they still call charity, are living below the level of people on relief. There is no doubt of it; they are living in worse homes, they have poorer food and clothing and less recreation.

That brings me to the question of the cost. The farmers cannot afford much unless farm prices are raised, and I read the speech from the throne in vain for assurance that would give me hope that this is to come about. If farm prices are not raised then any interest rates that the farmer may be required to pay must be very, very low. I do not believe that agriculture in the province of Ontario to-day can afford to pay interest rates of more than three per cent either for repairs, for mortgages or for the requirements of the farm. I believe three per cent is the limit. So, in supporting the proposal advanced by the hon. member for East Toronto (Mr. Church) I want to stress the need for low interest rates. It seems to me that if the chartered banks can pull figures out of thin air which they call money, there is no reason at all why the dominion government cannot do the same thing. They should be able to lend vast sums of money to municipalities at exceedingly low rates of interest, and I believe this plan would work out better if the municipalities are closer to the people. Conditions vary so much as between municipalities and provinces that I feel that a central commission could not handle the whole scheme anything like as well as it could be handled by the municipalities themselves, with of course, some supervision on the part of the government. But the financing must be done by the central source, the federal government, and it must be at extremely low rates of interest.

Mr. HUMPHREY MITCHELL (East Hamilton): Mr. Speaker, I should like to make one or two observations with regard to the resolution moved by the hon. member for East Toronto (Mr. Church). I believe that if he has done nothing else he has made a distinct contribution to the present session of parliament by moving this resolution, which may result in a crystallization of opinion from one end of the dominion to the other as to the vital necessity of a housing policy at least within the confines of the larger centres.

An hon. member representing a Montreal constituency said that there was no shortage of houses in that city. That may be true, but I think it is only fair to say that I know of no city in the dominion that needs a housing policy more than it is needed by the city of Montreal. I do not say that in any spirit of criticism; to a lesser degree the same might be said of the city of Toronto, and from my practical experience in the city of Hamilton I certainly believe it is needed there.

One of the most important problems confronting us in negotiating any building policy under private enterprise is the enormous height to which interest rates have risen in the last three or four years, making it economically unsound to launch a building program of any description. The hon. member for Southeast Grey (Miss Macphail) spoke of houses that needed repair. I speak of houses that are beyond repair. Conditions exist in most of the larger cities of eastern Canada which, in my judgment, constitute a challenge to the vision of those responsible for the housing of our population. Last year I spent some time in England and on the continent, and I was amazed at the real progress that has been made there in connection with housing schemes, most of which have had assistance from the various governments. Even where I lived in England as a boy I noticed a tremendous difference, with the development of garden cities and other developments that were economically sound because they were revenue producing.

I was very much impressed with the remarks of the Prime Minister (Mr. Bennett) last night in Montreal. If the right hon. gentleman was reported aright he intimated that he had in mind some policy designed to meet the situation as it exists in Canada at the moment, particularly in the larger centres. Frankly I believe it is economically sound, because most of these properties will be revenue producing. Many guesses have been made this afternoon as to the proportion that is paid in wages in connection with building projects. Actually 80·2 per cent of all money spent in building goes in wages alone. I give that quotation from the joint conference of building construction industries in Canada, held from May 3 to May 6, 1921.

I also think a tribute should be paid to the lieutenant governor of the province of Ontario. He has given real assistance in moulding public opinion, and his observations have been divorced from the everyday arguments we hear in political discussions. During the last year he has intelligently and in a concise manner advocated a clearance of slums. I remember listening to an address he delivered before the Trades and Labour Congress of Canada, one which for soundness and clarity was unequalled by some of the best speeches made in this house. He indicated that in the city of Toronto there were 1,500 houses which should be torn down in order to provide satisfactory shelter for the people living in them.

Quite recently in my home city of Hamilton a paper was delivered by Doctor James Roberts, the medical health officer dealing with conditions in that city. He indicated that bad housing brought about an increase in the sickness rate, in the general death rate, in the infant mortality rate, in the tuberculosis death rate, and in the incidence of anaemia and rheumatism; in an increase in the incidence of rickets through lack of sunlight, and, what is often the concomitant of bad housing, ignorance and lack of vitamins and industrial inefficiency.

In 1921 and 1922 an inspection of 4,666 premises was conducted under Doctor Roberts' direction. The finding was that the location, faulty or bad original construction and irremediable structural defects rendered most of those, even with the expenditure of large sums for repair, impossible of being regarded as proper homes. It was particularly noted that where a person owned his own home he took a greater pride in keeping it sanitary and in good repair. In November, 1933, another inspection was made, and the following are some of the details of the findings:

Home No. 1. Attached stucco cottage, 5 rooms, occupied by two adults and 10 children ages 16, 15, 13, 12, 10, 9, 7, 6, 4, 2½ years and 11 months. Rent $12 per month paid by tenant.

Home No. 2. Frame cottage, 5 rooms, occupied by three adults and 5 children ages 14, 13, 10, 6, and 4 years.

I could go on almost indefinitely giving similar examples. Since March, 1919, England and Wales have built over 2,060,000 new homes. During this same period Canada has built approximately 230,000, or on a per capita basis, about forty-five per cent of the number built in England. Toward the building of these houses £148,500,000 in subsidies were subscribed by the state and municipalities.

I believe this government would do well to make some investigation having in view the ending of intolerable housing conditions which at this moment exist in some of the larger centres in Canada. I am not unmindful of the troublesome time through which we have passed, but I should like to point out that ninety per cent of the building tradesmen have been out of work for more than two years, and in view of the vast amount of building money which goes into actual wages a building program would be beneficial. I could quote the opinion of John Maynard Keynes and other economists of Great Britain, men who were the driving force from an expert point of view in the present government policy of that country, which would substantiate my views as to the soundness of an undertaking of this character. A building program would differ somewhat from the public works policy initiated last year by the government. I am not making this statement in any spirit of criticism. A home building program is economically sound because interest charges and other costs are met.

In bringing this matter to the attention of the chamber, if for no other reason, the hon. member for East Toronto has rendered a signal service. The question is a social one in which all political parties should be vitally interested and which all parties should thoroughly discuss.

At six o'clock the house took recess.

After Recess

The house resumed at eight o'clock.

Right Hon. W. L. MACKENZIE KING (Leader of the Opposition): Mr. Speaker, this is the sixth session of this seventeenth parliament. If the suggestion that was made by the opposition in the first session with respect to

the appointment of a national commission whose duties it would be to supervise all efforts at relief and methods of securing employment for the unemployed had been adopted, this motion would not have been necessary at this time because its objectives would have been attained long before this.

Hon. members I think will recall that at the first session of this parliament, the so-called special session, and all subsequent sessions, I stressed very strongly the desirability of the government, in dealing with the problem of unemployment, appointing a national commission or committee, a body that would be representative of the more important industrial and philanthropic interests in the country, of employers and employees, of railway companies, of such organizations as chambers of commerce, the manufacturers' association, the trades and labour congress, the Salvation Army, the Red Cross and bodies of that sort, which national commission would be a body formed for the purpose of administering expenditure of federal appropriations for relief purposes and supervising and linking up all efforts at relieving unemployment and providing work by coordinating whatever might owe its origin to funds provided by the federal government, provincial governments and municipalities or other bodies.

The government at that time, I believe, thought the depression was not going to be of long duration, and, as members will recall, the vote of $20,000,000 was asked for. It was voted in a lump sum without any indication being given to the House of Commons as to how that money was likely to be spent, other than that it was in the nature of a grant in aid to the provinces in connection with public works which they themselves might undertake. I think it was to be one-third of what might be given by the provinces and by the municipalities themselves.

Session after session that same method was adopted of voting large sums of public money. In fact we reached the point the very next session, I think it was, where money was voted under what is known as the blank cheque system, the government taking what it pleased out of the treasury to give to the provinces as grants in aid in the name of relief or for the purpose of providing employment for the unemployed, this was given to those provinces which were assisting municipalities requiring on their side a contribution by the municipalities.

Well, that was tried for a while, and then we came to have a program of construction, more or less indefinite, but after a lapse of a year or so at the last session made fairly definite, when a bill was passed appropriating public moneys for the construction of public works and public buildings.

In addition to those methods there was also for a considerable time, and is yet, what we speak of as the dole, simply the giving out of sums of money to be paid to families that are in need of immediate direct relief. But at no time has the government had any policy that could be called such, a policy with respect to providing work and administering relief which from beginning to close was consistent and continuous.

I might read again what I read on monday last as the statement of Liberal policy on this matter, as it was outlined at the first session and subsequent sessions and as it was placed on record along with other matters of Liberal policy in one comprehensive Statement in this house on February 27, 1933:

> Unemployment of First Concern
>
> The Liberal party believes unemployment is Canada's most urgent national problem. It would deal with the present emergency conditions through a representative national commission, which would cooperate with the provinces and municipalities in the administration of unemployment relief, and in an endeavour to provide work for the unemployed.

"In an endeavour to provide work for the unemployed." If we had had in Canada a national commission of the kind operating during the last three, four or five years, does any hon. member believe it would be necessary at this time for a private member of this house to bring in a resolution pointing out the necessity of the government having a policy on housing? Would not the housing question have arisen in connection with any national scheme of providing work? You have these large public buildings that are being put up here and there, but, as everyone knows, in municipalities the need for proper housing conditions is very great indeed. In Toronto within this last year an important committee has been at work on the housing question in that city. His Honour the Lieutenant Governor of Ontario is chairman of the committee that was appointed to deal with the matter, and the report which the committee has submitted is an excellent one, disclosing as it does the development of slum conditions in the city and the need for proper housing conditions for many of the citizens of Toronto. I am sure that similar conditions exist in Montreal, and to a lesser extent in all the larger centres throughout the dominion. Does anyone suppose for a moment that a national body administering federal moneys for purposes of providing relief to the unemployed

and supervising the work of the provinces and of the municipalities and of the dominion, where public moneys were being spent from all three sources, would not have, long before this, developed in connection with any such scheme a housing plan which would be part of a nation-wide plan?

My right hon. friend the Prime Minister (Mr. Bennett) and myself had the privilege and the pleasure of visiting Great Britain last year. I am sure he was impressed, as I was, with what is to be seen there of the immensely improved conditions as respects housing for the industrial classes throughout Great Britain. There is nothing quite so much in evidence as to what has been and is being done in the way of improving the living conditions of the people during this period of hard times, as is to be seen in the improved housing conditions. The better housing schemes have served two purposes. To begin with, they have enabled the unemployed to find work, and in the second place they have permitted that work to be of a class which would help to serve the special needs of great industrial communities. Two birds, in other words, have been killed with the one stone; public moneys, in helping to provide employment, have also helped to provide better housing conditions. I had the privilege also of visiting one or two other countries in Europe, and I must say that what I saw, especially in Italy, in the way of what the government had accomplished during this period of unemployment by putting to work unemployed men on housing schemes, park and recreational developments and the improvement of conditions generally in the cities and around the homes of the working classes was the most impressive of anything I saw while abroad.

In the working out of a national housing, building and reconstruction policy, there is no need of any question of jurisdiction arising. The plan that was suggested by the opposition was offered as a plan which would avoid the necessity of any question of jurisdiction being raised, because it did not suggest more than that the commission's work should be carried on with the voluntary cooperation of the provinces and the municipalities. I remember at the time that the Prime Minister stated that he did not think any moneys paid out of the federal treasury to the provinces should be supervised even by the auditor general—that it would be an insult to ask that the auditor general be given the right of seeing how federal moneys which had been turned over to the provinces to assist in unemployment relief had been spent. Well, I think the Prime Minister has seen—he has confessed it—that there was enormous waste of public money as a result of failure to adopt that precaution of having all public expenditures out of the federal treasury supervised by the officer of this parliament who has been appointed for that purpose.

Not only has this money been in large part wasted, but many of the municipalities have found themselves well-nigh driven into a position of bankruptcy, simply because for a long time they felt that the only way in which they could get a share of federal or provincial moneys was by agreeing to contribute more for public expenditures on relieving unemployment than they would otherwise have felt they were in a position to afford.

I am sure that a body of the character which I have suggested would have been of great service. It was suggested every session, first at the short session, then at the second, the third, the fourth and the fifth, and now at this sixth session I am going to suggest it again as the proper way of dealing with this question, namely, the appointment of a national commission to supervise the whole matter of the expenditure of public moneys on relief and in providing means of employment. That is the step that should be taken if this work which is nation-wide in extent is to be carried out effectively. It is essentially effective cooperation and coordination in all effort that looks to providing employment that is needed in dealing with a great problem, such as this problem has been all along through these past five years.

During the time of the war, when we had a national patriotic fund to be administered, a national committee was appointed under federal act for the purpose, and the auditor general or a member of his staff was appointed in connection with the supervision of all outlays. Some of the moneys were federal, some were provincial and some were moneys raised by municipalities and voluntary organizations of one character or another. But the whole fund was administered and supervised as one, the actual disbursements being made of course locally, but the fund ran into many millions of dollars. When the committee's work was completed, and the auditor general's department made its report on the expenditure of the moneys every cent of the moneys contributed from different sources was accounted for. As far as I recall, and I was a member of the national committee, there was not a single dollar of money that had been contributed to the patriotic fund which was not

fully accounted for, and it was all spent for the purpose of caring for families in need, where the head of the family or the ones upon whom others were dependent were serving overseas, or had been killed or wounded in the war. To that example and precedent I have directed the attention of the house at the different sessions which I have mentioned, pointing out that it ought to be sufficient in itself as an example to guide the government in matters of this kind.

I will not say more on this subject now because it is more important to get these things done than to talk about them; but I hope the Prime Minister this evening will speedily assure the house that the government is wholeheartedly in support of this resolution which asks that the government have some policy on housing, building and reconstruction. I know that every hon. member on this side would welcome such a step and regrets that some step leading to this end was not taken six or rather five sessions ago instead of at this last moment.

Some hon. MEMBERS: Oh, oh.

Mr. MACKENZIE KING: Some hon. gentlemen opposite are laughing; I do not know at what they are laughing.

An hon. MEMBER: Fifteen years ago.

Mr. MACKENZIE KING: Yes, and a nice position we should have been in to take this step fifteen years ago.

Mr. BENNETT: The Union government did fifteen years ago.

Mr. MACKENZIE KING: Yes, but I am not responsible for anything they did or did not do. I am responsible for the position I have taken on the matter, and I repeat that, reviewing it calmly, it will be seen that what I have suggested is the one satisfactory and sensible method of dealing with this question. And it is the only method which escapes the vexatious question of jurisdiction and at the same time affords effective means of bringing about that coordination which is absolutely necessary if the work is to be extensively and efficiently performed and, at the same time, performed without colossal waste of public money.

Right Hon. R. B. BENNETT (Prime Minister): The resolution which was moved this afternoon by the hon. member for Toronto East (Mr. Church) deals with a problem that is not new to this house. In 1919 or shortly after—I forget the exact date—the government of the day made certain advances to the provinces to enable them to deal with the housing problem. Many of the provinces accepted the proposals that were made, borrowed the money and used it for housing purposes in their respective territories: In Great Britain, immediately after the war, in 1919, a scheme of providing for new houses was launched and the treasury subsidized the effort. I observe from an item in The Times of January 10, 1935 that between 1919 and the end of 1934 £700,000,000 had been expended in Great Britain for that purpose. There was a commission that made the grants for the purpose of determining the extent to which the subsidies should go for the housing plan in Great Britain. Here, following the same plan as was adopted by many countries, as a matter of fact, immediately after the war, we made grants to the provinces by way of loan and the provinces, whose primary responsibility it is to deal with these matters, determined the extent to which the loans should be made. Some of them have been repaid; some have been repaid in part. But the term over which the loans were to be repayable has not yet expired. So that it may be said that we did try in this country the plan of advancing moneys at a low rate of interest to enable the provinces to carry forward plans for housing peoples in cities and towns that came into being by legislation of the provinces themselves.

My right hon. friend's government did not deal with the matter in that way, and no further grants were made after the Union government went out of office. In 1930—I do not think the right hon. gentleman is quite correct in saying it was at the short session; it was at the regular session—he made the observations to which he now refers. But it will be remembered that in the early part of 1930 he said that after a most careful survey he had satisfied himself that there was no federal unemployment problem in the country. I was looking at Hansard the other day and I saw it. So that so far as the unemployment problem in Canada is concerned, he was not impressed at that time that it was a federal matter. He is quite right when he says that the magnitude of the disaster that has overtaken the world was not generally understood. The other evening I said in a broadcast that had there been someone who could have foreseen the terrible abyss toward which we were travelling, and raised his hand to indicate to us that we must beware or we would be engulfed in ruin, the world would have been very grateful. But no one foresaw the extent of the disaster that overtook us.

There is always room for differences of opinion with respect to most questions of a public character. Confronted with the situa-

tion that we have in this country, where we have a federal system as distinct from the system of government in Great Britain and where provinces are jealous of their rights, the right hon. gentleman knows quite well that he had to meet that very situation when he dealt with old age pensions, and instead of auditing the old age pensions in the sense in which he now refers to the matter, he will recall that what happens is that the provinces under the statute that he enacted receive from the dominion fifty per cent of the sum that was paid out for old age pensions—it is now seventy-five per cent—and the auditor general does not examine or scrutinize or audit the payments to individuals; all he deals with is the payments that are made to the provinces to meet demands which they say they must liquidate under the terms of the measure in question. The grants that have been made to provinces under those circumstances are many, and the reason for such grants being made is apparent. 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.

It has been common ground between the right hon. gentleman and myself that the primary obligation with respect to relief under our constitution rests with the small community, whether it be a municipality, a village, a town or a city. The second liability rests with the province that brought those organizations into being, and if the question is of a national character the dominion must assist. The extent of and the manner in which that assistance shall be given has been heretofore a matter of arrangement between the provinces and the dominion. Each of the provinces during the last three or four years has looked upon these payments in a somewhat different way. In a rich and old province like Ontario they carried forward a large number of public works and undertakings for the reason that, being well to do, the municipality was able to pay a portion of the cost; then the province made a contribution and the dominion paid a certain part of the labour cost or made a grant in aid. The result is that there have been constructed in Ontario, in cities, towns, in organized districts such as villages and what are called rural communities, in counties, large undertakings to which all three have contributed. 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.

In Quebec the greatest difficulty was of course in the city of Montreal. There a commission was set up by the province, but the manner in which it administered its duties was not at all times satisfactory to those who created it, and they have had many difficulties to overcome. In the western provinces commissions were set up for the purpose of determining how assistance could be granted, to what extent work might be possible, and I shall point out that in the part of the country where unemployment was very noticeable, that is because of crop failures and other conditions that obtained, there were seasonal difficulties, very cold weather, which made it impossible to carry on building and many other operations that could be carried on in warmer climates. A construction program was the first one the late Senator Robertson initiated and organized from one end of the country to the other. He provided for the elimination of level crossings on railways, which he hoped might do much to provide employment and do away with a common danger which we all recognize. That did not give employment to the extent that was expected, and the expenditures were not in the main, shall I say, very much appreciated by the communities in which they were made. Then the question of the construction of highways seemed to be the only method by which public moneys could afford employment to the class which appeared to be at that time, because of lack of crops, suffering very considerably. The result was that roads were constructed; that is, assistance was given to the province to enable roads to be constructed, and from Manitoba to the Rocky mountains a considerable number of miles of road were constructed and improved, giving employment to men, teams, and in every way doing something to lessen the evils of unemployment. In British Columbia the Parks branch expanded the program that had been outlined by our predecessors in office and in the other national parks the same thing took place. The result was that a considerable number of people found employment, but in all these cases the provinces outside the national parks claimed the right to exercise their jurisdiction and to determine where, so far as it might be possible, work could best be done for the purpose of providing employment. I do say to the right hon. gentleman that there were no

greater abuses, having regard to the amounts involved in the expenditures of the moneys to which the dominion contributed, than there has been in respect to old age pensions.

Mr. MACKENZIE KING: That is not correct.

Mr. BENNETT: I am bound to say that it is.

Mr. MACKENZIE KING: I am sure it is not.

Mr. BENNETT: What is more, the investigation we have made shows the situation to be even worse in regard to old age pensions than it is in regard to unemployment relief, except in a few isolated cases where laxity was so apparent as to necessitate criminal proceedings being taken, not by the dominion but by the communities themselves that were defrauded of their moneys by those receiving benefits.

Mr. MACKENZIE KING: Did the right hon. gentleman himself not find it necessary two years ago to pass an order in council providing that the auditor general should audit these very moneys that were being handed over to the provinces?

Mr. BENNETT: An order in council was passed with respect to public works and undertakings, not of the type to which the right hon. gentleman has referred, but of the type where contributions were made to the cost of the ultimate undertaking providing that the auditor general should examine and determine whether the moneys which had been granted were properly expended. I was able to point out to the right hon. gentleman by the production of a sample sheet that had been approved by the comptroller of the treasury that no moneys thus expended were expended so far as the issuing of the cheque was concerned unless and until there appeared upon the sheet the initials of two auditors of the auditor general's department as a preaudit of their correctness, a certificate by the municipality itself that the moneys were expended in the municipality, and a certificate by the province in which the moneys were expended, so that whatever might happen, if there were fraud or deception practised, the dominion would be always in a position to secure from the province or municipality any moneys that had been improperly used. I am informed that there was no single case in which the comptroller of the treasury issued a cheque in which there was not, prior to the cheque being issued, a certificate not only of the province but of the lesser organization, whether it be a town or a city or a municipality, in which the money had been expended, as to the correctness of the expenditure. I mention that because in connection with matters of that kind, it is quite clear the situation is entirely different from the granting of, let us say, $100 for municipal aid. If there is need for municipal aid of $100, it is obvious the manner in which the municipality may expend that money is not a matter into which the auditor general could inquire, except to see that the municipality had properly received it, if it were a grant in aid.

A construction program with respect to roads, with respect to railway crossings and other matters was settled and determined by the late Senator Robertson on the first tour he made to the Pacific coast and back. During that fall a substantial number of men were employed at that kind of work, but of course when the cold weather came on such work could not proceed in the prairie provinces. In every case, however, the next year and the next, the character of the undertakings was determined by conferences with the provinces.

The difference between the suggestion which the right hon. gentleman makes and the policy pursued by the government is this; we endeavoured by cooperation with the provinces —not having any contact with the municipalities, they being the creatures of the provincial legislatures—to assist the provinces in the discharge of their duty, having regard to the national character of the problems with which we had to deal. The right hon. gentleman suggests that a commission or committee might have been set up which would be able to deal with all the provinces. We believed that the problem in each province was somewhat different, and that the provincial governments and local authorities cooperating with the dominion could determine how the problem should be dealt with, what works should be done, and moneys expended, by agreement between the provinces and the dominion better than by any commission that might be appointed.

Mr. MACKENZIE KING: I am afraid my right hon. friend, in making a comparison between his plan and mine, if I may use that expression, has not caught the significance of what I have suggested. I have never suggested that a commission should take out of the hands of the federal government its obligations beyond supervising and administering in part federal expenditures of public employment relief moneys in accordance with a definite plan. What I have suggested is that there should be a national commission which would cooperate with the federal government,

with the provincial governments and with the municipalities, which would endeavour to coordinate the efforts of all and which would report its doings and recommendations in a manner that all these bodies would have a complete picture of all public efforts for the purpose of providing employment and affording relief with a view to having these coordinated, on a voluntary basis of course. Being in a position to say on what conditions federal relief moneys would become available to the provinces and municipalities, and how their expenditure should be audited, such a commission would have little difficulty in effecting coordination.

Mr. BENNETT: I am sure the right hon. gentleman realizes that it is not in accord with the general rules of the house that he should make another speech in the midst of mine.

Mr. MACKENZIE KING: But if my right hon. friend is going to state what my policy is I must be permitted to correct him if he states it wrongly.

Mr. BENNETT: I am content to leave myself entirely in the hands of the house as to whether I have not correctly stated it. I listened with much attention to the right hon. gentleman. He stated that he thought there should be a commission or committee, and the duty of that committee would be to coordinate the efforts of the dominion, the provinces and the municipalities.

Mr. MACKENZIE KING: Supervise everything, administer federal relief funds and do what it could to coordinate the several activities.

Mr. BENNETT: In other words they would be a fifth wheel to the coach. 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. They felt that the problem was primarily theirs, although we were giving them assistance, and they were willing to discuss and consider and determine what was best and most urgent and most desirable to be done and how their public moneys as well as ours could best be expended. That was a recognition of their position as sovereign legislatures within the scope of their activities; at the same time the dominion was discharging its obligation to them by giving the assistance I have indicated. That was a recognition of the right of the provinces to continue their activities. It is under that power that Saskatchewan continues to exercise its powers, contending that they can do it better, more reasonably—and I might add, more politically—than could otherwise be done.

Then there came the position in the province of Quebec. That province contended that they knew far more about the immediate necessities for road construction and various undertakings that should be gone forward with in the province at a particular time than any commission could learn, because a commission must necessarily turn to the provincial government to obtain the information in question. Any commission, however well informed, would never be quite as well informed as the government itself. So the government undertook the responsibility of coordinating its efforts. I should like this to be clearly understood: in every instance where works were undertaken there was an agreement indicating that the province and the dominion had arrived at a conclusion that the given undertaking should be gone on with and that the dominion would make a contribution of a given amount to the cost and the province would determine what it should pay. As I say, sometimes municipalities, the rich province of Ontario for instance, made large contributions because they were getting necessary undertakings constructed or completed in a manner that lessened the obligation which would otherwise have been imposed on the ratepayers. To the extent that they received assistance from the dominion or the province the obligation on the ratepayers of the municipality was lessened. When you look at the returns already tabled you will find that in a rich old province such as Ontario they spent very much more money relatively than other provinces, and obtained larger sums from the dominion because their municipalities were in sufficiently good circumstances financially to enable them to undertake such works. The province fixed a figure in all cases that they would give in the way of assistance, either a percentage of the cost of the entire undertaking or a percentage of the labour cost. And in every instance the cabinet determined, the minister having first made a recommendation of what he thought should be done in the way of payment by the dominion, to assist in works of that kind. Of course in unorganized territories where work could not be carried on and where the province had the burden of direct relief, they sought and obtained from the dominion assistance from time to time, sometimes through the medium of a commission which they themselves set up, sometimes directly without

the intervention of a commission, the province itself assuming the responsibility. But in every case there has been agreement between the province and the dominion. In every case the dominion has taken the position that it could not deal with the municipalities as such, for the municipalities were the creature of the legislatures and the only contact between the dominion and the municipalities was through the provincial governments that called them into being.

That has resulted in very large numbers of public works and undertakings being constructed. When hon. gentlemen study the returns that have been filed they will be amazed, as I have been, to find the extent to which in the old municipalities of various parts of Canada sewer works, streets and sidewalks have been constructed and repairs undertaken; and they have also dealt with, shall I say, some factors of the housing problem. But we did not feel that we were in a position financially during those days to undertake any large scheme of housing such as had been contemplated in Canada in 1919, or in Great Britain. Necessarily many things that one would like to have done could not be done because of the restrictions imposed upon us by our financial position, largely because with the accentuation of the depression, the slackening of earnings by the Canadian National railway system imposed a larger burden upon the taxpayers to meet the interest charges upon securities guaranteed by the dominion. That is a fact.

Now conditions have improved. Last year we offered to the house a public works program based upon two facts: one being that conditions were improving; the other that the increased price of gold, with the corresponding application of the principle unanimously adopted at the world economic conference as to the extent to which metallic coverage should be provided for our currency, enabled us to offer a program involving an expenditure of forty to fifty million dollars for public works. I say, as I said last night, that it has had a very excellent effect. It has stimulated business and improved credit conditions. But the full effect of the works will not be felt this year, because the preparation of plans and designs and preparation of the sites for the work has taken time, but all this and the acquisition of materials has gone on and conditions have greatly improved.

Now the question is what shall be done with respect to housing. It may surprise the right hon. gentleman, as it surprised me, I may say very frankly, to learn that with respect to one city we were very anxious to try out a form of tenement construction that certainly appealed very strongly to me. It was of concrete and stone, with a central heating plant; water, gas and light all were provided from a central point, and streets were laid out in an orderly fashion. But to our surprise petitions came to us asking that we should not go forward with the work, because it might interfere with the renting of private properties in the city in question, and stating that the time was not ripe to carry forward a housing program of that character.

This afternoon it was suggested in this house that painting, glazing and the improvement of the exterior as well as the interior of many of our farm houses would be desirable. I wholly agree, but there are many farmers in this country who, being thrifty souls, would not care to incur the financial obligations involved in connection with that work. I say that very frankly, because that suggestion has been contained in statements that have been sent to me from time to time with respect to the matter. But the government realized its obligation and, as will be recalled, set aside a sum of money for the purpose of painting, repairing, glazing and putting into proper condition all the public buildings owned by the crown. Commencing at Vancouver and going through to Cape Breton, that work was carried on. All the necessary work could not be accomplished, but most of it was done, and the effect upon the communities was very considerable. People who had the means themselves began to make their places look a little better, to replace the broken windows, repair the sills and put the houses in better condition. But when it comes to the question of telling individuals that you wish them to make changes, either inside or outside their buildings, on the part of most Canadians there is a tendency to say, "We are the best judges as to the extent of the money that we should spend, or the amount of the debts we should incur."

Mr. MACKENZIE KING: They do not like state interference.

Mr. BENNETT: They are perfectly willing to be interfered with provided it does not cost them anything; when it comes to the point of paying for it, then it is a different matter.

Now let me proceed, if I may do so without becoming tedious, to point out the position with respect to housing. It is rather a reflection upon us, is it not, that a new country such as this should be talking about housing and slum conditions? It is rather a reflection upon our civilization, according to my view of things, that less than seventy-five years after becoming a dominion we

should be talking about slum conditions. As one of the hon. members was speaking this afternoon I recalled a conversation I had many years ago with the secretary of the late Bonar Law. She had been born in Poland, and she said, "Nothing has more impressed me than the fact that, for some strange reason, we never seem able to get away from slums." She added, "Do you realize that the east part of the city of London was completely wiped out by fire in the closing part of the seventeenth century, but that now the worst slums in London are to be found in the area that was then burned clear? Somehow or other slums have a way of growing up." She went on to say that some of the younger generation had given the matter a good deal of thought but had not been able to arrive at any conclusion. I recall also something else that was said at that moment; she said that for some reason slums are usually to be found in the east section of cities. I do not know how correct that is, but that is the observation that was made to me at that time.

In the cities of Toronto, Montreal and Winnipeg—even a new city like that—as well as in some of our older communities such as the city of Halifax, which was mentioned this afternoon, there are buildings which, in my judgment, are not of the type that our people should occupy, from the standpoint of health and happiness. How is that situation to be overcome? In days gone by private capital was always ready and willing to embark on the construction of buildings, because usually that has been a very profitable investment. In the old country it has been one of the favourite forms of investment, but it has not been so in latter days, for reasons into which I need not go this evening. At all events, in 1919, we made up our minds that we would supply the provinces with certain sums of money to enable them, as was their constitutional duty, to deal with these problems. In Saint John, New Brunswick, a city of one hundred and fifty years old or more, there are certain slum clearances going on now. In the city of Halifax, as the hon. member for Macleod (Mr. Coote) might have recalled this afternoon, a great disaster occurred, and the conditions that obtained in connection with those buildings that were not completely levelled were somewhat different from the normal conditions prevailing in other communities.

What are we to do about it? That is the real problem. The commission appointed by His Honour the Lieutenant Governor of Ontario went into the matter rather fully and, as the right hon. gentleman has said a very admirable report was made. I was appalled, however, to find—I am now speaking subject to correction; perhaps my memory is not quite as good as it should be—that the report suggests that the sum of $12,000,000 would be required to provide proper dwelling houses for a certain class in that community who now live in buildings that should be condemned, and that this amount would not be self liquidating. Therefore we have two conditions to deal with. The first is the condition where you have the investment self liquidating. In that case if you set up proper machinery and the money is advanced at a reasonable rate of interest, provision is made for amortization and the properties will pay for themselves in a given number of years. That number of years should be the usual expectation of life of the structure, brick or stone or wood as it may be, with the amortization based upon a given percentage being paid from year to year, so that at the end of the period the building stands free and is supposed to be still in a reasonably decent condition allowing for both obsolescence and depreciation.

That is a simple condition; there is not a tremendous amount of difficulty in dealing with that. It can be done in one of two ways. It can be done in the manner in which we have heretofore dealt with it, namely by securing for the provinces a certain sum of money at low interest rates to enable them to deal with the matter at first hand, or we can set up a commission to deal with it ourselves. It does not seem to me that it was ever intended to be the function of a national government to deal with matters of that kind in the communities. Therefore I still think the method adopted by the government of 1919 or 1920 was the sound method. As a matter of fact inquiries have been made by the government during the last few months, especially in view of the reports coming from Montreal, whence we have received very excellent suggestions looking towards the establishment of homes with little bits of land attached to them. It seems to me that, however small it may be, if there is an area in which a kitchen garden can flourish, with room for a few flowers in front, it adds greatly to the happiness of the persons who have to live in those homes. Similar suggestions have come from other cities in Canada, and of course the condition in Vancouver is well known. They have their difficulties in connection with clearing land when you go out certain distances from the city, but the land close to Vancouver I think may be said to be fairly clear and available for housing purposes.

The second case is one presenting much more difficulty; it is that class of case which is not self liquidating in which we know perfectly well that, with the standard of wages that has prevailed for the last fifteen, twenty, twenty-five or thirty years, it would not be possible to provide the artisan with a dwelling that we think would be decent, on which he would be able to pay the rental necessary in order to liquidate the cost. That is a different problem altogether. It involves a contribution by the state which will not be repaid and which is a voluntary effort made by the central or provincial power, as the case may be, to add to the happiness and contentment of those who inhabit a certain type of dwelling.

I have a proposal to make. We have given a good deal of thought to this matter, and have received a very large number of suggestions. Obviously no government can adequately deal with all of them. That is the reason I am suggesting that we set up some body which would be able to cull through the suggestions and make recommendations to the government. I purpose placing the matter entirely in the hands of the house, and suggest either the selection of a committee to examine into the matter or that the committee on banking and commerce examine into and make a report to the house, having regard to the conditions to which I have referred which have not to do with the financial side of it, and also with the financial side as well. Whichever view the house thinks desirable the government is only too anxious to accede to.

For the moment I suggest that the hon. member withdraw his motion, and I say to him that I will prepare a proper resolution of which notice will be given to refer the matter either to the committee on banking and commerce or to a select committee. Sometimes there are difficulties in connection with a select committee, and it may be found easier to handle the matter with a standing committee where from time to time all members may attend. However we shall be glad to do whatever the house thinks most desirable.

In a new country such as ours this is an important problem, because we cannot afford to permit a condition develop in Canada such as has obtained, for instance, in the old city of Glasgow. That may be taken as a very good illustration of what I mean. If the condition which developed in Glasgow had been curbed at the start it would not have grown to such large proportions. If we take hold of the matter now, while we have not at the moment all the resources necessary to enable us to do all we may desire to do, we believe we shall be able to grapple with it in such a way as to make a continuance of slum conditions impossible, and certainly to prevent any increase of the kind of tenement and small buildings to which reference has been made to-day.

I have one word more to say with respect to public works and undertakings. Obviously we cannot deal with these matters on a very large scale. We have dealt with them from two standpoints. The first standpoint is the extent to which employment may be given directly or indirectly. When I use the word "indirectly" I refer to materials which have to do with the construction and carrying on of undertakings, and to the primary and secondary and other industries connected with it. Closely—nay, I might say almost inevitably linked to that factor must be the second one, namely the necessity for the undertaking. I think if my right hon. friend and hon. members of this house will look through the list of public works and undertakings authorized last year, and any additions which may be made to that list, they will realize how necessary every undertaking was, not only for the community affected but for the country as a whole. There were wharves, breakwaters and constructions of that kind required. These were really essential to the well being of the communities, but for obvious reasons we had not heretofore been able to deal with them. That is the attitude of the government with respect to these matters, and we are entirely in the hands of the house as to whether the banking and commerce committee or a select committee should deal with the problem and make a report. We will be satisfied to place it in the hands of whichever body will best serve the interests of our country at this time.

Before resuming my seat may I say that my right hon. friend is hardly fair in his reference to the patriotic fund. The patriotic fund was one of which the Minister of Finance was honorary treasurer and the auditor general honorary auditor. It had nothing to do in a public way in any shape or form with the conduct of the business of the country, but was a fund created by the government, and largely by private subscriptions. In the ultimate administration—for in the part of the country in which I live I personally had something to do with it—individuals themselves were dealt with by a committee which was appointed. The honorary auditor, the auditor general himself saw that all the moneys received from every source were available for the expenditures which were made, but he did not undertake

at any time to examine as to whether or not John Smith who in Calgary was said to have received a given sum of money had actually received it, nor did he satisfy himself as to its necessity. The committee made a report upon that, and that report was acted upon. The general executive here in Ottawa dealt with the large problems of policy, the determination of the extent to which moneys which had been paid might meet the demands made upon the fund, with the interest which had accrued. As the right hon. gentleman knows, the fund is now practically exhausted. However it has been so splendidly administered and has been so great a source of assistance to those who otherwise would not be cared for that I think we may all look upon its administration with great pride. It was administered not as a public fund, but as a public trust for those who received moneys. I was honorary treasurer for the period I happened to be Minister of Finance, and the present Minister of Finance is now honorary treasurer of the fund.

Mr. MACKENZIE KING: Was it not a public body established by act of parliament?

Mr. BENNETT: Yes.

Mr. MACKENZIE KING: For the purpose of supervising the work?

Mr. BENNETT: Yes.

Mr. MACKENZIE KING: That is exactly what I said.

Mr. BENNETT: It was a public body created by statute of this parliament for the purpose of having a corporate existence or an existence as an organization to receive contributions and to disburse them for the purposes mentioned in the act, namely as a patriotic fund.

Mr. MACKENZIE KING: That is exactly what I proposed in regard to unemployment moneys, only instead of receiving and spending direct with the exception of federal relief appropriations which it would administer directly or through the federal departments of government, it would supervise and seek to coordinate all employment relief plans, reporting upon them to each of the bodies concerned.

Mr. BOURASSA: Before the right hon. gentleman closes his remarks may I offer a suggestion? It seems to me that a select committee composed of the various representatives of larger centres in which the need is greatest would be a proper committee to set up. But in case the government, after an understanding with the opposition, would prefer a standing committee, it seems to me that the committee on industrial relations would be better qualified than the committee on banking and commerce.

Mr. BENNETT: I thank the hon. member for Labelle for his observations. I shall submit a resolution to the house and leave it for the chamber itself to determine whether or not the standing committee I mention shall be chosen, the one mentioned by the hon. member or a select standing committee. I think there are many parts of the country in which the matter is not of very great importance, but certainly the larger centres are deeply interested. If a select committee will best serve the purpose the motion will be for such a committee. However I shall offer the motion in a form which will enable, shall I say, the opinion of the majority of members ultimately to prevail.

Mr. CHURCH: I shall gladly accept the suggestion made by the Prime Minister, and ask permission to withdraw the motion.

Motion (Mr. Church) withdrawn.

FEDERAL HEALTH POLICY

PROPOSED ADOPTION OF POLICY IN COOPERATION WITH THE PROVINCIAL GOVERNMENTS

Mr. H. E. SPENCER (Battle River): Mr. Speaker, I beg to move, seconded by Miss Macphail:

That, in the opinion of this house, the federal government should adopt a definite health policy which could be carried on in cooperation with the provincial governments.

A year ago, Mr. Speaker, I introduced a resolution in this house along somewhat similar lines. At that time, however, I suggested that the resolution should go to the committee on industrial and international relations for consideration and report. The Minister of Health at that time, although having no objection to the principle of my resolution, objected to its going to that committee or to any committee and therefore refused to consent to the resolution passing the house. Although I believe the minister at that time was entirely wrong, nevertheless in introducing the subject this session I have omitted all reference to a committee of this house so that that objection cannot be put forward, and in the hope that the resolution will be accepted by this chamber.

There is no doubt in my mind that hon. members in this house appreciate to the full the importance of this subject of public health. It is brought home to us when we realize that during the last six years we have

had the subject brought before the house no less than seven times. It is true I was responsible for bringing it before the house in 1930, 1931 and 1934, and I have no apology to offer to the house for introducing it again this session.

It is recognized, I know, that the matter of public health comes under the jurisdiction of both federal and provincial authorities. The British North America Act, by which we are governed, does not indicate under which government this subject shall come, but it has been the practice of the provincial governments very largely to carry the load, and they have spent a great deal of money in the carrying on of public health work. But although nothing is said in the British North America Act as to whose is the responsibility, we recognize that consideration is given in the act to questions which are interprovincial in character. Under the act these come under federal jurisdiction. We have to recognize that sickness and disease do not stop at any provincial boundary, and I therefore feel that the federal government has a definite responsibility in this matter.

Studying this subject of public health the other day I came to realize that there were at least five problems with regard to public health that really should come under federal jurisdiction: such sicknesses as tuberculosis and cancer; the prevention and control of insanity; venereal diseases; child and maternal welfare. I appreciate the fact that certain grants have been made in past years and are made to a certain extent to-day in connection with these matters, but the load of responsibility and expense has been left very largely to the provinces. The federal government takes over complete control of immigration, complete control of the examination of immigrants coming into this country, and has spent public funds lavishly in this regard in past years. That being so, I feel I am justified in suggesting that child welfare and maternal welfare should come largely under federal jurisdiction.

Last year I pointed out that it is only at a time of great crisis that the country recognizes the enormous loss which it suffers through not having a proper health system. I pointed out that during the great war it was not until volunteers were called for that we had a situation on our hands that showed us quite clearly that owing to the lack of a proper health policy a very large number of our people were not physically, if mentally fit. Of the volunteers who came forward no less than one-third were unfit for service at the front. When it became necessary to put conscription in force the figures were still worse, because of those called to the colours no less than two-thirds were found to be unfit for military service. This meant the loss of a huge sum of money running into millions of dollars which might have been saved if we had had in effect prior to that time a thoroughly workable and coordinated health policy.

I also pointed out last year that over 46,000 Canadian children die every year under the age of five years. This in itself is a tragedy. Everyone will admit that it is the most terrible tragedy we have to face, and I am sure the whole house will be one in feeling that a stop should be put to this toll of death; because from the very best information we can get, a large proportion, if not the majority, of these deaths could have been avoided if preventive measures had been taken.

From the best figures I can get I would say that sickness costs Canada approximately $300,000,000 a year, and when we take into account the indirect loss, the value of the lives lost—for each life has a value—the loss is upwards of a billion dollars. But let us take the figure of $300,000,000 as the direct loss through sickness. We are spending on public health through all governmental sources, federal, provincial and municipal, the sum of only $6,000,000. Surely it would be real economy to spend more in preventive measures, and so cut down this enormous cost of sickness—in other words, reduce the high cost of sickness.

I take it that most members will agree with me when I say that sickness and death are inversely proportionate to the amount of money spent on health measures. Society, it seems to me, has two responsibilities with regard to sickness: one is the adoption of curative measures, and the other is the adoption of preventive measures. Up to the present time we have paid more attention to curative than to preventive measures, and we have not achieved the results which I hope will ensue when more attention is paid to prevention. When we recognize that there are no less than 180,000 people sick daily in this country—sick enough to prevent them from working—it will be seen that we have a great problem on our hands and one that should be faced. If it were faced I am sure we should get splendid returns. We spend more in curing people than it would be necessary to spend in preventive medicine, and many people owing to the high cost of medical attendance have to go without attention owing to the high cost of medical care. I

am not blaming the doctors, because they have to do a great deal of work free; but because they have to do this it is necessary for them in self-defence to increase their fees to those who they think can pay. The result is that thousands of people do not call in any medical practitioner, or do so very often only when it is too late. It is not fair either to the patient or to the doctor, but under our setup that is the position we find ourselves in.

Preventive medicine is growing, but it is growing all too slowly, I am afraid. In preventive medicine we have the full time health unit method and the state health insurance method. In the full time health method, in other words the full time health unit, there is a service which I am glad to see is growing, not as rapidly as we should like to see it, but still it is growing and showing great results. I understand that it is growing fastest in Quebec and British Columbia, and other provinces are making experiments along the same line. I will not go into details to-night with regard to full time health units except to say that I visited the headquarters of one at Red Deer, Alberta, last summer and was delighted to see the progress being made.

I realize that the drawback in the full time health unit is that though they are helped on their feet for the first three years by the grant from the Rockefeller foundation, after the three years are up the responsibility has to be carried either by the provinces or by the municipalities interested; and owing to their limited capacity for raising money either through taxation or by borrowing they hesitate to enter into any obligation when they know that within three years that obligation will be increased. In 1934 when I spoke on the subject I recommended then, as I strongly recommend to-day, that the government should give consideration to the question of carrying on the grants of the Rockefeller foundation after the third year. I feel sure that if this were done these full time health units would develop rapidly and cover the country from coast to coast.

I know the question of cost will be considered and someone will raise the point as to where the money is to come from. My reply is that if we are to-day losing at the rate of $300,000,000 a year as the result of spending only $6,000,000, if we could double or treble the amount we spend in preventive medicine it would not be a case of spending money but saving money in the long run. We can therefore well afford to spend money not only on investigation but in helping to a large extent those provinces or municipalities which up to the present time have taken the initiative and developed full time health units as far as they have gone.

I am informed that the hospitalization of a patient at Keith, Alberta, comes to $858 a year, of which the province pays $310 and the municipality $548. I am also informed on the best authority that in certain provinces forty per cent of the mental patients in the hospitals would not have had to be there if the cases had been taken in hand in time and properly and scientifically treated. There again you come to the argument for preventive medicine. It seems to me therefore that preventive medicine has far more to be said for it than the suggestion that we should leave matters alone. A forward-looking government with an able and progressive Minister of Health, such as I trust we have at the present time—indeed, I take the opportunity now to congratulate him on filling such an important position—will in every way encourage any scheme intended to keep the people healthy.

I regret to say that in the last twelve or thirteen years we have not had from the federal Minister of Health very much help in health matters. We have not had much help from the Health department, and I say that advisedly. I have taken a great deal of interest in this matter, and if there is one person who has thrown cold water on schemes suggested for the betterment of the health of the people it has usually been the Minister of Health. I take it that our new minister will have an entirely different attitude to the subject, and if he takes a forward step I shall be the first one to congratulate him most heartily.

We must recognize that to-day, with nations as with individuals, it comes down to the survival of the fittest, and if Canada does not take care of her people and raise their standard of health to its maximum, equal to that of any other country, she will certainly fall by the wayside. Health, when all is said and done, should be recognized at its full value, and not only from the human point of view but on the economic side as well we must realize that money spent is money saved. It is only the uninitiated who will quarrel about spending public money in caring for the health of the people. Surely no one thinks that we can afford to go on losing money as we are doing to-day from year to year in connection with sickness simply because we are spending so small an amount publicly in the matter of prevention. Most of the provinces are doing splendid work.

For instance, they are largely financing or helping to finance a number of hospitals; they are equipping travelling clinics and are paying attention and subscribing to regular health inspection of school children. It all costs money. The provinces are limited in their spending powers. They can raise money only by taxation or by borrowing, and during these hard times they have had great difficulty in their finances, with the result that they have had to cut down many health services. The federal government is in a different position. Not only has it the same powers of getting money as the provinces have, but it also has the right, which the British North America Act does not allow the provinces and the municipalities to exercise, of monetizing its own credit.

For many years we have looked upon education as a national asset and we punish people who disobey our educational laws. I wonder how long it will be before we recognize that health is a national asset. If anything, it is more important than education, because unless a child has health it is not much use to attempt to cram education into it. How long will it be before we recognize that health is a national asset and punish people for not being healthy? But before we punish them we must give them the very best chance of keeping in good health.

At the present time we have an army of people who are scientifically trained in the matter of taking care of health. Unfortunately, on the one hand owing to a lack of organization and coordination between our various services and on the other owing to a lack of purchasing power among the people, we find many of these persons who are well qualified to look after health, either underemployed or even amongst the unemployed. I have not the slightest doubt we could employ every scientific man or woman to-day and engage others besides, had we a really worthwhile system to go by.

I am proud of the province from which I come for the fact that it has gone a very long way in regard to health matters. I have under my hand some figures in regard to what has been done in my province. Probably some of the other provinces can show some figures just as good, and I hope they can. In the last twenty years maternal mortality in Alberta has been cut in half. In 1913 infant mortality was 120 per 1,000, but in 1933, owing to the work that had been done, the percentage of mortality had been reduced to 57 per 1,000. As the birth rate of that province, which has not a big population, is some 17,000, this means that we are saving the lives of 1,071 children per annum. Going back for a moment to the expenditure we used to incur in trying to increase the population of this country by immigration (I admit that in the last three or four years money has not been spent so lavishly for this purpose), but previously to that we were spending in the gross about $3,000,000 a year to try to increase our population. Would it not be a very much better investment—put it like that if you wish —to improve our health organizations and thus save by the thousands every year the lives of our own people born in this country? The matter is only one of organization, it seems to me, because we are assured by some of the best medical authorities that if proper and careful attention had been given in time, a very large proportion of our annual loss of life, particularly that of children, would have been quite unnecessary. I find that from all the diseases to which I am going to refer we are losing a large number of people each year; although I am glad to say that from the first disease I intend to mention we are losing less. I refer to diphtheria, smallpox, scarlet fever, tuberculosis, typhoid and whooping cough. I shall be glad to have the contradiction from any doctor in the house if I am wrong, but I am informed by medical men that if proper care were taken and taken in time by preventive measures, we need not ultimately have any deaths from these diseases. We have a long way to go before we reach a proper system of health if these diseases, these sicknesses that can either be prevented or cured, are bringing about the number of deaths that we unfortunately have to record at the present time.

With regard to annual medical examination, some people think it is rather an exaggerated idea to suggest such a thing, but how many of us to-day realize it is imperative for us in our own behalf to pay visits annually to our dentists? More and more people are realizing that. While they believe their teeth are in perfect shape they annually go to their dentists for examination. How long will it be before we realize that it is just as necessary to go to our doctor? I am not going to suggest that there be a monopoly of one type of doctor, as there are several schools; but it is just as necessary for every man, woman and child to go annually to those who know scientifically how to look after them and can check them up carefully so far as health is concerned. An annual examination of everybody would, in my opinion, be a very important factor in preventing communicable diseases, for in preventive practice lies the salvation of the nation. It seems to me that

we have to look at this matter of health not only from the human point of view, which I think should be intensified, but also from that of business, and from the latter alone, so far as spending money on health is concerned, we can increase the dividends enormously over what we have done in the past. There is something wrong, for instance, when in Canada some 25,000 children die each year before they are a year old, and most of them from preventable sicknesses.

Before I close I want to congratulate the various provinces, some of which are doing better work than others, on the work they have done. As I said before, they are all handicapped in the matter of finances. I hold in my hand a magazine entitled Health, published, I believe, under the auspices of the Canadian Social Hygiene Council. This is a body of private people, well-wishers for the better health of the Canadian people, who through a very considerable volunteer effort have probably done more than most other organizations to bring before the public and the different governments, the necessity of doing better and better work with regard to the health problem. I understand the Prime Minister some time ago suggested that at the next dominion-provincial conference the subject of health should be considered. I have here a statement from the Hon. J. A. Faulkner, Minister of Health for Ontario; another from Mr. Taschereau, Premier of Quebec; another from Hon. W. J. P. MacMillan, Premier and Minister of Public Health of Prince Edward Island; another from the Hon. F. R. Davis, Minister of Public Health of Nova Scotia; another from Hon. Weir, Provincial Secretary of British Columbia; another from Mr. Bracken, Premier of Manitoba; another from Hon. George Hoadley, Minister of Health for Alberta; another from Hon. Uhrich, Minister of Health in Saskatchewan, and lastly, one from Hon. H. I. Taylor, Minister of Health and Labour of New Brunswick. They all submit that this is the proper place in which to bring this subject up. They all make worthwhile statements in regard to the necessity of giving more attention to health, but I am only going to take time to quote a wire from one of them, which is very similar to the rest. In reply to a wire asking whether they were agreeable to taking up the matter of health at this suggested conference, Mr. Weir, Provincial Secretary of British Columbia sent this telegram:

> The government of British Columbia is anxious to cooperate with the federal authorities in the promotion of public health which we regard as the very cornerstone of national well being and hence as a matter of national responsibility. Sporadic provincial attacks on cancer, venereal disease, tuberculosis, mental hygiene and child welfare, for instance, can never be so effective as coordinated measures under enlightened federal leadership. From a standpoint of scientific public health provincial boundary lines have little significance. It would be premature to discuss the possible details of health insurance before the meeting of the conference.

I have referred to these letters because they show that those responsible for health in the different provinces are all anxious and of one accord in their desire to do something with the aid of the federal government to bring about a national health plan. I therefore trust that the resolution that I have submitted will be favourably considered by the Minister of Pensions and National Health (Mr. Sutherland) and that in the course of this evening it will be accepted by the house.

Hon. D. M. SUTHERLAND (Minister of Pensions and National Health): I have listened with attention to the very interesting summary of health matters made by the hon. gentleman who has just resumed his seat (Mr. Spencer). I congratulate him on the interest that he has taken in this important subject during his time here as a representative of his constituency. I think, however, he has painted rather too gloomy a picture of the health of the people of Canada, because as a general rule I believe the health of our people will compare very favourably with that of those of other nations. No matter what is done, sickness cannot be entirely prevented; it is going to be with us no matter what measures are taken, or by what bodies. But it is also undoubtedly true that preventive steps have been and will be taken with a very beneficial effect indeed on the health of the nation. It has been said that good health is an individual's greatest asset, and that the health of its citizens is a nation's greatest care. I think that is true.

There has been a great change in the practice of medicine since the middle of the last century. This seems an excellent opportunity to glance over those changes, and I think the time spent in so doing may be profitable, because we are representatives of all parts of the country and represent many professions and callings. Therefore I should like for a few moments to indicate the changes that have taken place in the conduct of medical affairs during recent years.

Anesthesia, perhaps the greatest boon that has come to the surgeon and his patient, was discovered only during the last century. Antiseptic and aseptic surgery also came into being within the memory of almost everyone here. These developments have made pos-

sible a tremendous advance in the treatment of disease. The advances that have been made in medical science have been along three lines; that of prevention, that of diagnosis and that of treatment. In the field of prevention perhaps the greatest advances have been made in the case of some of the diseases mentioned by the hon. member. Tuberculosis, diphtheria and smallpox were at one time prevalent in this country, and one of the outstanding examples of what science has done in the prevention of disease is the combating of yellow fever which was formerly very prevalent in southern countries. I should like to give a few figures as to the improvement there has been lately with regard to some of these diseases—I am taking recent years, because compared with fifty years back there would be a tremendous change. The improvement is continuing: every year there has been a change for the better, as is shown by the following figures:

Year:	Disease	Deaths
1926	Tuberculosis (resp'y)	6,485
1933	Tuberculosis (resp'y)	5,656
1926	Diphtheria	913
1933	Diphtheria	239
1926	Smallpox	33
1933	Smallpox	6

Another disease which the hon. member mentioned, which is a scourge of very young children, and often leaves severe complications is whooping cough. The figures on that are as follows:

Year:	Disease	Deaths
1926	Whooping cough	1,242
1933	Whooping cough	552

These figures show that the continuous fight which is being put up by public bodies and public health institutions throughout the country is producing most excellent results.

In the realm of diagnosis there has also been very great improvement. On the early and accurate diagnosis of disease depends the treatment and, very largely, the outcome. In that field science has made great advances. It has given us the X-ray, which is of inestimable value. The microscope has made possible numerous refinements of diagnosis applying to many diseases, and is of the greatest benefit in the cure of the patient. As to treatment, there have also been great changes both in methods and in instruments used. In the treatment of tuberculosis and pneumonia the idea of the patient getting plenty of fresh air has saved many lives. Then take cancer; the discovery that radium, properly used in properly selected cases, is of great benefit to those suffering from cancer has been one of the most important and most beneficial discoveries ever made in connection with that disease. Another discovery, perfected in our own country, was the use of insulin, which was developed by Doctor Banting in Toronto. A comparison of figures showing the deaths from coma in diabetes is instructive, and shows the great advances that have been made in the treatment of that disease. In 1898, which was long before insulin was heard of, sixty per cent of those dying from diabetes went into a coma before death. The coma is the toxic stage, and in those days there was practically no hope of getting a patient out of that condition. In the period from 1930 to 1933, however, less than five per cent of those dying went into that incurable stage of coma, and as the use of this important medical agent is further perfected undoubtedly the results will be even more beneficial.

So in those three great departments of medicine, prevention, diagnosis and treatment, great changes for the better have been made. The advances I have mentioned have almost revolutionized the practice of medicine. My father was a doctor; I have always lived in a doctor's home, and I know that in the old days practically all the medical attention given throughout the country was given by the general practitioner. That situation has greatly changed, however; it has become almost impossible for the general practitioner to keep himself acquainted with all the new products and inventions of science. Just here, perhaps, I might digress to pay a tribute to one general practitioner who has brought high honour to himself, to his profession and to Canada. I refer to Doctor Dafoe, of northern Ontario. One day he went out on a case which appeared to be a very ordinary incident in the life of a country doctor, but he conducted himself so well that he earned a victory never before earned by an obstetrician in the history of the world. To bring those five northern babies up to the age of seven or eight months, as he has done, has been a wonderful feat, and as Minister of Health I wish to express to Doctor Dafoe the great admiration of the medical profession as a whole for the wonderful work he has done.

These new conditions that I have indicated have necessitated new agencies in dealing with disease. One that I might mention is the public health nurse. In most of our cities and towns at the present time we have the public health nurse. In Ontario part of her salary is paid by the province and part by the municipality. She pays regular visits to the schools and makes suggestions as to whether or not the children need treatment. The work that has been done by these nurses has been very beneficial and very protective.

I take it that the mover of the resolution would like to see something done along these lines, only to a greater extent.

Then there is another public body which renders useful service to the sick throughout the country; I refer to the Victorian Order of Nurses. I think perhaps from a doctor's standpoint the Victorian Order of Nurses does more good and is of more actual benefit to the sick people than any other similar institution in the country. Personally I regard that body as doing very excellent work throughout the country.

Then in certain parts of the country we have health units, which were mentioned by the hon. member who moved the resolution. This is another means of medical activity which I value very highly. In a general way the object of a health unit is to extend public health activities to rural districts, so that they really have a clinic available to them to give advice on medical subjects, principally in the preventive sphere. They educate the public with regard to the best methods of preventing disease. As they move about the homes they see improvements that might be made, perhaps in connection with drainage or something along that line, and they also have to do with the children both of the pre-school and the school age. They visit the schools and examine conditions there; they also examine the younger children and give advice to the parents as to what might be done for the children. Another important function of the health clinic is the education of mothers, both before children are born and in the post-natal period, as to the care that should be exercised. That work, in certain parts of the country, has had wonderful results. Probably the province of Quebec has made greater advances in connection with health units than have been made in any other part of the country, and I think that province is to be congratulated on the way it has supported the movement and on the benefits that have accrued from it.

Those associated with these health units also carry on a campaign against the various contagious diseases and, in cooperation with the doctors of the community, epidemics can be stamped out much more quickly than was possible in the past. They also have to do with the distribution of sera and vaccines. They inoculate the children against smallpox and diphtheria, and in some parts of the country, as a result of the work of these health clinics, practically all the children have been inoculated against that disease, with most beneficial results.

The great strides that have been made in connection with medicine have gradually made the people feel that they must cooperate in order to get the full benefit from these advances, since a serious and prolonged disease is very costly. Perhaps the first step in the way of cooperation in order to secure medical attention was made by the fraternal societies. In practically every town and village throughout Ontario there were one or two fraternal societies which, as a part of the benefits extended to their members, included the free services of a doctor. Sometimes that worked well, sometimes not so well, but it indicated the effort being made by the people to cooperate along these lines. Then various large industries throughout the country started schemes of mutual assistance, the workman putting up so much of the money and the industry supplying the remainder. In that way the members of the industry, the workmen, had an opportunity to get medical assistance without the financial burden being too heavy.

Great advances have been made both in the number of hospitals in Canada and the efficiency with which they have helped to combat disease. Most hon. members can recall the time when there were very few hospitals; particularly those living in the rural sections found it difficult to obtain hospital treatment. To-day with the exception of some few rural districts the country is well provided with hospitals. At the present time there are in Canada 893 modern fully equipped hospitals with 87,645 beds. The hospitals are of various types, including maternity, pediatric, orthopaedic, isolation, and other kinds which I shall not take the time to mention. In addition we have in Canada to-day 59 mental hospitals. The hon. member who preceded me mentioned preventive treatment in mental cases. May I say to him that that is a science the study of which to-day is more or less in its infancy but undoubtedly there is a great opportunity for further research. Constant effort is being made to treat mental troubles in their early stages. Every person connected with the medical profession is hoping that work along that line will be carried to a successful conclusion.

Throughout the country, beginning in the small municipalities, we have boards of health. In the small municipalities the boards of health are sometimes good, sometimes not so good, and in my judgment sometimes useless. Particularly in townships where by law they are forced to have a medical health officer I believe a great deal of money is wasted. In many instances they have some official who is medical health officer in name only, who gets practically no salary and who cannot be expected to do and in fact does not do very much.

I am of the opinion that there must be a development such as was mentioned by the

hon. member for Battle River (Mr. Spencer) and to which I have referred, namely that of health units. I believe that if the money which has been spent for the various township bodies in western Ontario had been lumped and doctors and nurses had been employed the effect would have been much better.

On the other hand in our larger cities we have some first class boards of health doing creditable work. Many people say that the city of Toronto has the best health department in the world. If that is not quite so it is undoubtedly true that Toronto ranks very high in health protection. Many people who are interested in preventive medicine have come from different parts of the world to that city in order to learn firsthand their method of working. The provinces are doing excellent work, some better than others. The hon. member has referred to Alberta; I am in a position to know that the health departments in that province are doing splendid work and are preparing to take still further steps to improve the conditions under which their citizens are living. Most of the provinces are to be congratulated upon the excellent work they have been doing.

I should like now to refer to the subject of periodical health examination. If it were possible to have people take those examinations the results would be excellent, but of the 245 members who compose this House of Commons I venture to suggest no more than ten per cent have an annual examination, or even one every two years. They do not lack the money, but they do lack interest. I believe that is characteristic of well-to-do people throughout the country. In general practice I have found that there are very few who make a practice of periodical examinations. I am convinced that such examinations would be of the greatest benefit but we cannot go out on the street and force people to go into doctors' offices for examination. They have to use their own common sense, and if they do not their action will be to their own disadvantage. Were it possible to have periodical examinations certain diseases would be discovered through diagnosis.

I have mentioned certain diseases in connection with which great improvement has been shown. There are others, however, in which the figures are not so encouraging. In 1926 there were 7,614 deaths from cancer whereas in 1933 there were 10,646. Cancer is one disease which if situated in certain parts of the body could be discovered by means of periodical health examinations. Particularly is that true of external cancers, where cures could be effected if treatment were begun earlier. It is largely due to the fact that the disease is not found early enough that the death rate is gradually mounting higher and higher. In the year 1926 there were 11,415 deaths from heart disease, whereas in 1933 there were 15,483. These figures show a very great increase. Heart disease is another ailment which could be discovered in its early state and treatment or suggestions as to mode of life given which would be found very beneficial. Last summer in nearly every paper one read he would find an account of some well known person who had dropped dead on a golf course, or on the street or at home. Some of those men were in the prime of life, between the ages of forty-five and fifty. Undoubtedly these ailments had developed insidiously but could have been discovered had there been periodical health examinations. I cannot urge too strongly my approval of the hon. member's observations concerning the necessity for such examinations.

Despite all the advances in the science of medicine and despite the splendid service medical practice can give, the difficulty is to make those advances available to the great masses of the people. I believe that is the gist of the hon. member's resolution; undoubtedly he would like to see measures taken to make the results of modern medical science available to every one. That brings before us the question of state medicine. As there are some who entertain doubts as to the meaning of that term, perhaps I might read what the Canadian Medical Association believes to be the purpose of state medicine. I quote from a report made by a committee of doctors:

> The ultimate purpose of any plan is to make available for every Canadian the full benefits of curative and preventive medicine, irrespective of individual ability to pay, and, at the same time, to assure the practitioners of medicine and others associated in the provision of medical care a reasonable remuneration for their services.

The purpose first stated in this quotation is, I think, what we are all aiming at, namely to make the full benefits of curative and preventive medicine available to all. But in any move of the kind which a government, either federal or provincial, might make, it is essential to consider the matter and discuss it with the medical associations, because on their cooperation the success of the whole thing depends. The Canadian Medical Association, realizing that this subject was becoming a very important one to the provinces, to the dominion and to all our citizens,

appointed not long ago a committee to go thoroughly into the matter. The committee has made a comprehensive report considering the subject, I think, from every angle, and the present situation is this: The Canadian Medical Association has sent that plan to each provincial body, and the provincial bodies in turn have sent it to every individual doctor throughout the country for his observations and any suggestions he desires to make upon it. The comments and suggestions which the individual doctors make will come back through the provincial bodies to the Canadian Medical Association and from their replies and the original plan it will be possible for the association to evolve some plan which they can recommend to some government. It does seem to me that until that plan is evolved and ready to be presented to a government, steps should not be taken in the matter, because there is no use going into a thing of this kind at random and without seeing just where you are going. Of course it is the desire of all governments to get all the information they can along these lines.

One part of the motion which the hon. member for Battle River has presented has to do with cooperation between the dominion and the provinces. We have cooperation at present along those lines. That is the policy of the federal Department of Health, to cooperate in every way with the provinces. We have at the present time the Dominion Council of Health which consists of the chief medical officer of health for each of the provinces, together with a representative of labour, a representative of agriculture, a representative of the urban and rural women's organizations, one scientific adviser, and the deputy minister of the Department of Pensions and National Health. The council is brought to Ottawa twice a year at the expense of the dominion government, when they go thoroughly into the various problems that each has met with in his own part of the country. One of those meetings has been held since I came to this department, and I know that it was very beneficial. Some of the representatives of the provinces who were present have written that they considered the meeting this year of great benefit to them and to the people of their provinces. That activity will be continued, of course, and we expect great benefits to come from it.

But there is another step which I intend to take. It is my purpose to invite at some mutually convenient time within the next two or three months the ministers of health of the various provinces to come to Ottawa and discuss with me their problems, with the idea, just as the hon. member for Battle River suggests, of furthering cooperation between the federal and provincial bodies, because I am firmly convinced that any advances that are to be made will be made only along the lines of that cooperation. In extending that invitation to the provincial ministers of health I am in hopes that much good will come of our meeting.

I have endeavoured, Mr. Speaker, to give a general summary of the position in regard to public health in Canada at the present time. I have no objection to this motion passing because I am quite in sympathy with it. Our policy at the present time is cooperation and anything that I can do to further that policy I shall be only too glad to do during the time I hold this office.

Miss AGNES C. MACPHAIL (Southeast Grey): Mr. Speaker, I have been very much interested in the speeches made by the hon. member for Battle River (Mr. Spencer) and the Minister of Pensions and National Health (Mr. Sutherland). The hon. member for Battle River deserves a great deal of credit for bringing before the House of Commons year after year this matter of a national health program.

Lest I forget it may I say at once that I do not agree with the statement made by the minister that the Canadian Medical Association should be the one to evolve a health policy, or that the federal government should make no move until the medical association had decided what should be done. I do not think that is so at all. In the first place, doctors are trained at very great expense to the provinces, because the universities are certainly not self-sustaining. In a measure doctors are public servants; they have shown that magnificently during these trying four years. I am sure they can offer valuable suggestions, but I do not for a moment think that the federal government should wait for the pronouncement of the medical association. The federal government itself should evolve a health policy, whether it be one with many branches, such as health insurance and county health units, or whatever it may be. The federal government, I say, should do the evolving, perhaps with the cooperation of the provinces and the Canadian Medical Association.

In my opinion the main reason why medical science is not available to all the people is the lack of money on the part of the people. I notice in this little pamphlet which the Canadian Social Hygiene Council has sent to us, entitled Canada at War, the statement is

made that public health officials agree that sickness costs the people of Canada over $311,000,000 a year, and that almost nine-tenths of this represents a direct charge upon the individual. Well, I think the direct charge upon the individual is greater than the individual can bear, and people are going without the benefits of medical science simply because they cannot afford to pay for it. It causes the death of many of them, which I suppose is just as much expense, but the particular individual affected does not need to worry about that expense.

In confirmation of that, I notice that in an article in the Canadian Home Journal of May, 1934, Norma Phillips Muir makes this statement with reference to maternal mortality:

> One doctor whose professional life has been pretty well given to studying public health and preventive medicine has stated that actually there is no maternal mortality problem in Canada—that it is a problem of dollars and cents because the deaths can to a very great extent be prevented if the pregnant woman and medical and nursing services are brought together.

I think what is true in regard to maternal mortality is true also of many diseases. The very rich can afford to have care for the prevention and cure of disease whenever they desire. It is also true that the very poor in cities like Toronto, as mentioned by the Minister of Health, are given very good care indeed. But there is a large middle class between the rich and the poor who actually cannot afford to have good care when sickness comes. I know there are splendid hospitals and doctors and nurses, but what does that matter when the people cannot get into the hospital without guaranteeing payment, and when they have not the money to pay for care in the hospitals? In the city of Owen Sound people have actually been kept waiting on the steps of the hospital until the hospital authorities could be assured there was going to be full pay for their hospitalization. Everyone in this house knows of innumerable instances where people have not been able to secure hospital treatment or the care of a nurse in their own home simply because they could not afford to pay for it. There are hundreds and thousands of nurses out of work in Canada who would be only too glad to take care of the sick, as the sick would be only too glad to be taken care of. But there must be dollars to bridge the chasm between unemployed nurses and uncared for sick.

I was very glad to notice that Ontario has this year established its first health unit, as reported in the Ottawa Journal of Thursday, December 13. That unit will cover the counties of Stormont, Glengarry, Prescott and Russell. The Rockefeller foundation is making a grant of $33,000 and the unit will employ five nurses. The administrative officer and his nursing staff of five will conduct health administration, education, sanitation, public health nursing and the control of communicable diseases. At present 2,000 children in the four municipalities have received dental attention and one hundred per cent have received immunization from diphtheria. After the three year period the grant of $33,000 ceases and the cost must be borne by the counties and the provincial authorities.

I am particularly concerned about having county health units in all counties because they can do a great deal to prevent disease and I think it is better both from the point of view of human happiness and from the economic standpoint. In the long run it costs less and certainly people are much happier when well. In my opinion a great deal can be done by preventive medicine. Perhaps I might take a moment to say what has been done in Owen Sound particularly, through the work of Doctor Murray, who has devoted his attention to prevention. He has made a particular study of preventive medicine. In Owen Sound they now have free clinics for the early diagnosis of tuberculosis and for venereal disease. They have a free child clinic and last year they had a free dental clinic for school children. It is interesting to know that two or three years ago the death rate in Owen Sound among children under one year of age was the lowest in Ontario and the second in Canada, being excelled by Victoria, British Columbia.

Everyone interested in this matter feels that other municipalities could obtain similar results if they followed similar methods. I should like very much to have a county health unit in Grey county, for this reason particularly, that that county is as beset with contagious diseases and other ills as any other county and suffers in addition the disability of goitre to a greater extent than in any other county. I said once in public that fifty per cent of the people in Grey county suffered from goitre in some form and I was laughed to scorn. Well, Doctor Murray of Owen Sound and Doctor Carefoot of Markdale made a careful analysis, each over a certain area, and they found that it went well over fifty per cent; they said that the figure I gave was too low. And yet that terrific responsibility must be carried by the people

of Grey county. It is entirely unfair and, what is more, they are not able to do it. From my own personal experience this year among my own friends I know of at least ten people in the late fifties who no doubt died of goitre. Possibly on the death certificate goitre would not be given as the cause of death, but the doctors attending them assured me that it was, having resulted in a heart condition which was the actual cause of death, or in an anaemic condition, or in some other of the complications that ensue. Unless you attend a great many meetings, picnics and one thing and another and see people in large numbers you will not believe how prevalent it is. I do feel that it is not fair to ask the individual to pay for the treatment of a disease which is caused by deficiency in the soil of the district. If we are to have health units in any part of Ontario it is not unreasonable to urge that Grey county and possibly Bruce as well should be the district in which experimentation is carried on.

I have asked the federal Department of Health as well as the provincial government to make a survey of the county to see whether or not goitre is as terrible there as we who live in the county think it is, but in both cases an investigation of any sort has been refused. If the governments in Canada are not going to take the responsibility who is to assume it? One would be almost humiliated to go to New York and ask the Rockefeller people to make the survey, because surely it is a responsibility that lies within this country. In supporting this general resolution asking that the federal government adopt a definite health policy to be carried out in cooperation with the provincial governments I am not thinking only of this one particular area, but I am thinking of it especially because the need is so great.

Hon. R. D. MORAND (East Essex): It is with a great deal of pleasure that I congratulate the mover of this motion (Mr. Spencer) on the humanitarian stand he has taken and on the very interesting and definite method he proposes of correlating the work of medicine in Canada.

Medicine has made rapid strides when one looks back over history and realizes that it has grown to a very comprehensive science from early beginnings of empiricism and a great deal of superstition. It has been certainly an individual science, and its advance has been entirely an individual matter. It is an individual type of occupation and consequently the organization of medicine has probably not advanced or kept step with the organization of other fields of activity.

On could very well divide the value of medicine into two distinct and different fields. First of all there is the preventive and then the curative. Then again one could divide preventive medicine into two distinct subdivisions, that which applies particularly to the public or to the state and the community, such as the control of contagious diseases and the control of those diseases that come under the supervision of public health officials, and then the preventive measures which are entirely individual, in relation to those diseases that are not communicable but if taken in hand early may be prevented from the natural consequences which follow unless proper treatment is given.

In the first division, diseases that are communicable and generally within the community, most of the necessity is not so much within the field of medicine as it is within that of education. It is education that is needed to teach the people the value of preventives now at hand. Education is necessary to teach them how to prevent some very simple conditions and I was very much interested in listening to the hon. member for Southeast Grey (Miss Macphail) when she spoke of thyroid in her particular county. It seems to me that that trouble, its cause and prevention, are now so generally known and the prevention is so simple, that I am amazed that within that county the authorities now in charge have not seen fit to advise or educate their people in the very simple matter of taking of a few drops of iodine once or twice a month, which would entirely prevent the condition which now exists. I shall not attempt to enumerate all the very many good works that have already been accomplished by preventive means, such as the control of typhoid, scarlet fever, diphtheria, whooping cough and other communicable diseases which to-day have almost disappeared and would be still further controlled as a result of a simple and general education among the people.

The part of preventive medicine from which it seems to be the most difficult to secure the maximum benefit is that which applies to the individual himself. The minister a few minutes ago spoke about heart diseases and other conditions. Those are conditions which are essentially individual and the question is not one of cost; it is a question not of necessity but of driving home to the people the importance of constant supervision by their medical men. On the other hand, the part that interests me most is the securing of the maximum benefit that is available within the

science of medicine to those who are unable to pay for it. Strange as it may seem, it is not the poorest who are unable to pay; it is that large class of people between those on relief, those in abject poverty, and the very rich. Medicine has evolved from the simple application of one man's view, one man's ability, one man's science. To-day we have available in the various sciences—electricity, mathematics, medicine, and so forth—large laboratories and expensive equipment, and in the field of medical science these developments have increased the cost of medicine, the cost of treatment and cure and, more particularly, the cost of diagnosis, beyond the ability to pay of the average man who is trying to carry on for himself.

As regards those who are poor, I was astounded to learn that in some hospitals they are permitted to stand on the steps because they cannot pay. In twenty years' rather active practice I have yet to find a hospital refuse to take a patient because he could not pay. But there is a large class of people who, because of small salaries, because they are anxious to pay their way, find it impossible or are very reluctant to spend the necessary money to secure the diagonsis and the maximum that science has to give. X-ray is very expensive; laboratory tests are expensive; heart treatment and heart diagnosis instruments are to-day quite expensive. Day after day people come into our offices where the aid of these branches of science is necessary to make a complete diagnosis and to give them the maximum that is available within the science of medicine. These people cannot or feel they should not spend the amount necessary to secure the benefit of the science, consequently the maximum benefits of the science are available only to those who are very poor, whom the state now takes care of, or to those who are wealthy and to whom cost makes no difference. But the very large mass of the people, probably the most important class in the community, find themselves only too often unable to secure the maximum benefit that they should receive. This is rather discouraging to a medical man who from day to day has in his office patients who are unable to secure the full benefit that science can offer. Organization in medicine is undoubtedly necessary at this time. Organization has taken place in every other field of activity, but medicine continues very much in its individual application of the best that each medical man has to offer. Some day within the not very far distant future I hope to see some scheme evolved for that class of people who, too often optimistic in the belief that physical ills will not affect them, and probably because of low salaries or wages unable to set anything aside, find themselves confronted when they least expect it with large bills, perhaps at a time when the head of the house has no earning capacity. I hope to see a scheme put into operation whereby men in receipt of earnings under a certain amount per annum may pool a part of their earnings in order to create a fund, with the aid of the state and the employer, to enable them to secure the maximum that medical science has to offer them. Further, I would like to see them secure aid when they are ill so that they may feel a sense of security during that most trying of times, a security which comes from the knowledge that if they wish to take advantage of it they can avail themselves of what is in store for them within the field of medical science.

Mr. HUMPHREY MITCHELL (East Hamilton): Mr. Speaker, I have had some experience in this matter, having been a member of the hospital board in my own municipality for the past ten years, and also a member of the board of health for many years. This question is being very actively discussed throughout the North American continent. I was amused by the observation made by the minister that it would be necessary to consult the doctors before any scheme of this description could be launched. If I remember rightly, when Mr. Lloyd George introduced his health insurance scheme in Great Britain, the greatest opposition came from the doctors. Those who have traced the history of its development will well remember the indignation meetings held by the doctors of Great Britain in opposition to the scheme; yet to-day the selfsame people who opposed it so violently are those who admit its soundness and its practicability in that great country. In fact, they have gone so far that in the last three months I understand the medical men of Great Britain have affiliated with the British Trades Union Congress. I hope we shall live to see the day when such a departure is made in this dominion.

Quite recently in the United States they appointed a committee on costs of medical care, which was aided by finances supplied by the Rockefeller or the Carnegie foundation. That committee, composed of representatives of the doctors, of labour, of the teaching profession and others sat for five years and brought in a report in which they eulogized the experiment being made in Saskatchewan in connection with what I suppose may be

called socialized medicine. In their third recommendation they say:

> The committee recommends that the costs of medical care be placed on a group payment basis, through the use of insurance, through the use of taxation, or through the use of both these methods. This is not meant to preclude the continuation of medical service provided on an individual fee basis for those who prefer the present method. Cash benefits, i.e. compensation for wage loss due to illness, if and when provided, should be separate and distinct from medical services.

So we can see how in the country to the south they are progressing towards a policy of collectivization in the treatment of the sick.

Two years ago a commission appointed by the government of British Columbia recommended a scheme of health insurance in that province. And we have this committee of the Canadian Medical Association, spoken of by the minister this evening, which is giving leadership to the various medical societies throughout the dominion. This is all in line with a recognition of the responsibility of the community as such for the treatment of the sick. In connection with preventive medicine the state has gone into the field in the matter of insane, and venereal disease, diphtheria, tuberculosis and many other diseases have been practically taken out of the hands of the general medical profession and their treatment placed upon a state basis.

One of the greatest problems at the moment, particularly in connection with this depression, is seen for instance in a city like Toronto where the medical needs of 26,000 families are being cared for by the municipality. It is unfair to expect the general practitioner to render his services on the basis that prevails at present in many localities, that is, free of charge, although I know that in accordance with the traditions of the profession it has been customary for him to give those very necessary services wherever they were required by those unable to pay. What the hon. member for East Essex (Mr. Morand) said this evening is quite true. In my community I know of no instance where any individual has been denied treatment in any of our hospitals through lack of financial resources, whether it be the municipal hospital or St. Joseph's, which is of course a sectarian hospital. I think it is a fair observation to make that the indigent patient in the hospitals of this country receives treatment on a par with the wealthiest, because we insist that the surgeons on the staffs of civic hospitals shall be at the top of their profession in their respective districts. These indigent patients do not have to take the chance, like the great middle class, of getting, may I say, an inferior grade of practitioner. The municipality I come from insists that the best in surgery shall be given to those unable to pay. Nor is it fair and equitable that those who are able to pay should have placed upon them the burden of the care of the indigent. At present they have to bear the expense in a broad way of those unable to pay. Some policy should be worked out whereby the expense is placed broadly on the whole community, and I know of no better system than that set up in Great Britain and in other countries in Europe to deal with the problem.

It seems to me also that having regard to the work being done in our hospital centres, particularly during this depression, the personal touch of the family physician is more or less lost. Under a system of health insurance there would be a movement back to the family physician. The present practice is too mechanized. There is no substitute in the field of medicine for the understanding and care that can come about only through the long continued association of the family physician with his people.

As a matter of equity the medical profession should not be asked to render the enormous services they are being asked to render to-day absolutely free of charge. I have often said that medicine stands to-day in the same relationship to the community as schools did a century ago. In those days in regard to education you paid for what you got. In the evolution of our civilization and the desire of our people for a general educational system the responsibility for education was taken over by the state. I believe that is an inevitable development in regard to medical service in its broadest aspect. I do not mean that everyone should be covered by an insurance system. I think the hon. member for East Essex expressed the idea correctly when he said that that great group in between should have facilities placed at their disposal whereby the tremendous expense involved by ill health should be borne in a co-operative way. I suppose we all know of many families in which a major illness has been a financial tragedy, and any policy that the government or the medical profession can set up that will eliminate the fear of that condition from the lives of that great body of people who like to pay for the services they receive would be a distinct advance. I do not believe that any nation can be built on "something for nothing." A sense of obligation to meet their financial responsibilities has been one of the great driving forces in the development of this nation.

I was glad to hear the minister make the observations he did, that the federal government in connection with the provincial governments and these agencies of public opinion, in combination with the medical profession, should study this question deeply. They can rest assured that the labour forces of the dominion will lend their sympathetic aid to the formulation of a policy not only in the interests of the people but also in the best interest of the medical profession itself, which in the past, and particularly during this depression, has rendered such fine service to the Canadian people.

Mr. J. T. SPROULE (East Lambton): Mr. Speaker, I did not intend to take any part in this discussion, but after listening to my friend the hon. member for East Essex (Mr. Morand) and the hon. member for East Hamilton (Mr. Mitchell) I wish to say a few words. Some of the remarks made by the hon. member for Southeast Grey (Miss Macphail) touch closely the situation in my own section. I think the hon. member for East Essex was correct when he said that it was not the poorest class nor the richest class that was neglected; there is the in-between class who feel themselves hardly able to pay the doctors' bills. I believe in many cases they neglect their health simply because they remember the last doctor's bill they received, and they remember having to sell the last cow, the last pig or something else in order to get the money with which to pay it. They feel, and rightly, that they should keep the doctor paid up, because they do not know how soon they may need his aid again.

I have a great deal of sympathy for the medical men; I understand that some of them in Toronto last year, after spending a great deal of time and money on their education, had to go on relief. I hope that was not true, but I remember having heard it. On the other hand I know that in the rural district from which I come they bitterly complain that the bills in many cases are too high. The charge now is $5 a call, where possibly when that man was young the charge was only $1 or $2 for the same trip. The farmer did not mind so much when he could sell a bushel of wheat for a dollar and a cow or horse for $100; he walked to the telephone and called the doctor without hesitation. Unfortunately to-day most of the farmers do not have telephones. At one time they were considered necessities, but now they are considered more in the way of luxuries. Perhaps that is something else that might be looked into; to-day the cost of a telephone is the same as it was in the palmy days.

There is no doubt that the poorer class can get medical assistance quite easily, because the health officer or medical board has authority to act, but that is not the case in regard to the man in between, who is not in a position to ask for assistance or who does not feel like asking for it. As a result he neglects the trouble for a day or two too long. The poor people who have been on relief call up the reeve of the municipality, and he realizes that he must take care of them. The other man, however, is not so fortunate; the reeve has to call a council meeting to find out whether or not he has authority to act, and then the chances are that the council will decide that the man can sell another cow or pig and pay the doctor, so they take no action. So I think the sooner something is done along the lines set out in this resolution the better it will be for all concerned.

Just here I would like to say a word about the poor children who are not properly clothed to go to school. Their clothing is not sufficient; their shoes are thin, and in rainy weather their feet must be wet when they get to school. Most of the school teachers take wonderful care of the children, providing them with hot lunches, and so on, but they should not be required to do that.

I was very much amused at some of the discussion in connection with the building scheme that was under consideration this evening. When you really consider it, many of the cities are not nearly so badly off as the small rural communities are. I think perhaps the hon. member for Southeast Grey (Miss Macphail) put the matter rather well when she said that while many of the homes looked bad enough from the road, they look worse when you get inside. Hon. members who come from rural districts and who are acquainted with these conditions will agree when I say that, while the health officer perhaps should go to these homes and see that they are kept in a healthier condition, that health officer, in order to do so, would have to pass many other homes of the same class, and it is hardly worth his while. It is too bad the houses and outbuildings have fallen into such disrepair, and it is too bad that something cannot be done about it.

There has been a great deal of agitation in connection with the construction of public buildings, but I can say that the agriculturists at present are more in need of relief than any other class. If they have their health they can put up with a great deal, and I hope something can be done along the line of this resolution. As a rule very little public money is spent in the rural districts; generally it goes to the larger centres, which have better

representation in this house. Rural constituencies cover large areas; most of them do not need wharves or large hotels or anything of that kind, and the result is that when the estimates are brought down they contain nothing for the rural constituencies. You look in the blue book to see how much is going to be spent in your district, but you cannot find the name of the place from which you come, so you know that no public money will be spent there. Then when you look around to see where the money is to be spent you find that large amounts are to go to the more thickly populated districts. In most of the rural districts when they speak of money they speak of hundreds of thousands of dollars, but when we come here we speak about millions of dollars. I can say frankly that the man on the back concession does not understand language of that kind; he does not know what it means. If you tell him that he could not live long enough to count it all, after he considers that statement for some time he begins to realize just what it means. Many times I have thought about some of these hotels that have been built here and there, costing millions of dollars, That money would go a long way in preserving the lives of our poor children who are so badly neglected. The chances are that when that hotel is built it will lose a quarter of a million dollars or so a year, and even that amount would do a great deal of good if it were devoted to the welfare of the children. I do say it is very hard to get anything in a rural constituency, and it is hard to tell a man who comes from the city how much in need the people are on these back concessions.

I remember the occasion when I attended the good roads convention in Toronto. I have been a director of the good roads association for some time, and this year I happen to be president. When elected president one of the directors came to me and said, "You are the man who came in here twelve or fifteen years ago and began talking about growing beets and, because of the mud, having to draw them out a quarter of a ton at a time. Have you those mud roads down there yet?" I replied, "They have been very much improved"—and that is a fact. In good times it was easy to get improvements, but when prices dropped and times were not so good we found it more difficult to get improvements. I realize that we are living in one of the most fortunate countries in the world; we are making a speedy recovery, but I do think it is up to the people to realize what those on the back concessions require. It is very difficult to impress members of the House of Commons with what their requirements are, because the average member is not aware of them.

Although the hon. member for Southeast Grey and I do not agree on many questions I will say that she and some other hon. members in that corner of the house have tried on many occasions to stress the needs of the back concessions, and sometimes we have found it difficult to make our wants known. I do not think most people realize how much improvements are needed. It is the duty of the man who comes from the rural district to try to fight his battle as best he can, and if we do not get results as soon as we would like we may get a better footing a little later on.

I am in agreement with other hon. members who have stated that health is a most necessary factor in the enjoyment of life, and I do hope that the present resolution is not dropped. I must say however that I cannot altogether agree with some observations of medical men. In my view the reeves of some municipalities could tell more about actual requirements than some medical men. I do not suppose many medical men will agree with me when I make the statement I am about to make, but I believe I am showing all due respect and am fair to that profession when I observe that there should be some way of knowing what a medical man will charge when he is called. When a person on a back concession calls a doctor he is wondering all the time how much he will be charged. He may be in such doubt that he will delay telephoning or sending word because he wonders if he will ever be able to pay his doctor's bill. It seems to me there ought to be some way of knowing. When we call a taxi we have some idea what the charge will be. Turning again to professional men, we have a good idea what a lawyer will charge us and if we are not satisfied we are free to tax his bill.

Mr. COTNAM: May I ask the hon. member a question?

Mr. SPROULE: I do not know whether it would be wise, because possibly I could not answer it; however I will if I can.

Mr. COTNAM: When the hon. member makes the statement he does, he cannot be aware that there is a definite schedule of fees which has been adopted by the Ontario Medical Association and is available for the study and observation of the hon. member or of any person in this province at any time or in any place. When he states that a person cannot know what the fee will be—

Mr. SPEAKER: May I point out that the hon. member is hardly in order.

Mr. COTNAM: I should like to give the hon. member a little information.

Mr. SPROULE: I am quite content to listen to the information and am very pleased to get it. Some people have had the experience of calling medical men in our section of the country and have been surprised when they have received their bills. I know of one man who asked his medical man for an itemized bill and received a reply to this effect: "The itemized bill will be $15 more because you did not pay it yesterday." I am wondering if there is any possible way of being certain what we must pay. In my constituency I know of a case where a poor lad ran into an electric wire and was badly burned. Hon. members know that the municipalities carry insurance. As a result of his burns some insurance was coming to him, but when his doctor's bill was received he found he had a very little left. The case was taken to court and the judge reduced the fee by $200, but I think if another $200 had been deducted the doctor would still have been paid too much. However, I am very pleased to receive the information from the hon. member and shall be happy to take it back to my friends.

As the representative of the constituency of East Lambton I am going to try to bring the grievances of my constituents before this chamber and make an effort to have some of them ironed out. I do not know how you can check up on a doctor's bill. He may make a dozen calls on a trip, and possibly he may charge $2 for each call. I am not stating the doctors are dishonest; as a matter of fact I believe they are honest, but—

Mr. COTNAM: Just the same as if you had a hundred cows on your round.

Mr. SPROULE: Well, I would like to say—

Some hon. MEMBERS: Eleven o'clock.

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.

Friday, January 25, 1935

The house met at three o'clock.

ROYAL CANADIAN MOUNTED POLICE

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

That it is expedient to amend the Royal Canadian Mounted Police Act to provide that military service in South Africa may be counted for the purposes of pension, and to make further provisions in respect to the application of penalties and to contributions to the dependents' pension fund.

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

Motion agreed to.

PENSION ACT

On the orders of the day:

Hon. IAN MACKENZIE (Vancouver Centre): Can the Minister of Pensions tell us, as far as he knows now, whether it is the intention of the government to introduce amendments to the Pension Act in addition to those indicated in the bill now before the house?

Hon. D. M. SUTHERLAND (Minister of Pensions and National Health): I cannot answer that.

DOUKHOBOR PRISONERS

On the orders of the day:

Mr. THOMAS REID (New Westminster): I have a question to direct to the Minister of Justice. What action is the government taking in regard to the Doukhobor prisoners being released or about to be released from Piers island who, having lost their homes and place in their own community—

Mr. McINTOSH: And votes too.

Mr. REID: —have now no place of abode?

Hon. HUGH GUTHRIE (Minister of Justice): My hon. friend gave me notice yesterday that he would ask this question and I have endeavoured to obtain the information. Originally at Piers island there were 575 Doukhobor prisoners, males 295, females 280. On the first day of January this year the present population of the island was, males 181, females 190, or a total of 371, so that 204 have already been released. I might mention that under the Penitentiary Act no prisoner can be released between the first of September and the first of April without his consent. Some of them will not give consent even when ticket of leave is offered. Married men among the prisoners object to leaving until their wives are released, and vice versa. The sentences of these prisoners will expire by service of time about the first of July next. It is hoped that by that date we shall be in a position to close the prisons on Piers island. The law provides that on the release of a prisoner he shall receive a ticket back to the point at which he was convicted, and also the sum of $10 in cash. When each prisoner is released from the penitentiary the $10 and the transportation are paid to him. After that, there is no further responsibility upon the part of the dominion government. We do not know where these men intend to go or where they intend to settle. It is true that on one or two occasions the Attorney General of British Columbia has had conferences with members of the Department of Justice staff and various suggestions have been made in regard to the future of these people, but the attorney general has never informed us of any definite plan he has in regard to them and no agreement of any kind has been reached in respect of it. The hope is now that having served their prison terms they may not be in future guilty of the offences of which they were formerly guilty and for which they have served their terms.

OFFICIAL REPORT OF DEBATES

Mr. E. R. E. CHEVRIER (Ottawa): May I call the attention of the house to a change in Hansard and then ask the responsible minister, who I presume would be the Secretary of State (Mr. Cahan), a question based on that? At the back of unrevised Hansard No. 5 of Wednesday last there appeared two notices, one in English and one in French. On the back of Hansard No. 6, the report of yesterday's proceedings, those notices do not appear. On the front of to-day's Hansard I find the name of Mr. George Simpson as editor, but there is nothing to show that there is a French editor; the name of Mr. Marcel Gabard, editor of French debates, does not appear. I would ask the minister whether that is one of the improvements as a result of his new bureau for translations.

Hon. C. H. CAHAN (Secretary of State): This is the first time the matter has been called to my attention. I shall look into it and at an early date give an appropriate reply.

PRIVILEGE—MR. DUPUIS

Mr. VINCENT DUPUIS (Laprairie-Napierville): I rise to a question of privilege. In the Montreal newspaper La Presse of January 24 in an article headed "Un drapeau national pour notre dominion," I have been misquoted speaking on that question on the twenty-third. It is very unlikely, but maybe the translation has not been made correctly. On the twenty-third, speaking on this question, I said:

It is all very well to talk about flags and to advance a policy of flag waving for the next election, but to my mind there is something higher and more important than the emblem, no matter how interesting and worthy of respect it may be.

The newspaper quotes me as saying:

(Translation) Mr. Vincent Dupuis, Liberal, Laprairie-Napierville, asked that this question of a flag be forgotten.

I just wish that this should be corrected.

BUSINESS OF THE HOUSE

STATEMENT BY MR. SPEAKER RELATING TO PRACTICE FOLLOWED IN PLACING QUESTIONS ON ORDER PAPER

On the orders of the day:

Mr. SPEAKER: Before the orders of the day are called I would like to refer to a question of privilege raised on Wednesday by the hon. member for Bellechasse (Mr. Boulanger) in respect to the placing of questions on the order paper. He referred to questions Nos. 13 and 14 appearing on the order paper of January 23. Question No. 13 read:

Mr. Boulanger:
January 21—Has the Admiralty Act of 1934, chapter 31 of the Statutes of Canada, 1934, been put into force?

That is the way in which the question appeared on the order paper. There was a further question, No. 2, being part of that, the question being:

If not, why not?

That was left out on the order paper. Question No. 14 was dealt with similarly. I think it only fair to the clerks of the house to point out the reason the words "If not, why not" were left out in placing those questions on the order paper. As reported in Hansard of March 5, 1930, this matter came up on a question asked by the present Secretary of State (Mr. Cahan), as follows:

Mr. Cahan:

1. Is it the intention of the government to introduce to this house a bill confirming the treaty for securing the preservation of the halibut fishery of the north Pacific ocean, which was made between His Majesty the King and the United States of America—

And the question goes on to give the date. The second part of that question was:

If not, why not?

It appears that the present leader of the opposition (Mr. Mackenzie King), then leader of the government, immediately raised the question as to whether the "If not, why not" was in order and he quoted standing order 44 which I shall not take time to read to the house, as hon. members are fully aware of its provisions. I shall simply draw attention to these words appearing in the standing order:

But in putting any such question or in replying to the same no argument or opinion is to be offered.

The leader of the opposition went on to say:

I am afraid, Mr. Speaker, that if the government were to attempt to answer the question "If not, why not," we might be drawn into the realm of argument with my hon. friend.

And he further elaborated the same point. Then the present Secretary of State asked this question:

Does your honour rule that the question "If not, why not," necessarily provokes discussion?

The then speaker gave his ruling as follows:

Mr. Speaker: The rule is very clear. In the putting of questions, or replying to same, no argument or opinion is to be offered. The purpose of a question which is placed on the order paper is to secure information as to plain matters of fact, and no discussion may arise therefrom. I would rule that the words "If not, why not" are out of order. Questions 3, 4, 5, 6, 7 and 9 are answered, I understand, provided the words "If not, why not" are deleted from the questions.

Following the ruling then made the clerks of the house have since pursued the practice of leaving those words "If not, why not," out of questions to be put on the order paper.

PATENTS OF INVENTION

PROPOSED AMENDMENT AND CONSOLIDATION OF RELATED ACTS

Hon. C. H. CAHAN (Secretary of State) moved that the house go into committee to consider the following proposed resolution:

That it is expedient to bring in a measure to amend and consolidate the acts relating to patents and invention; to provide for the appointment by the governor in council of a commissioner of patents; to provide for the appointment of an assistant commissioner and such examiners, clerks and stenographers as are necessary for the administration of the act; and to prescribe certain additional fees and charges.

Motion agreed to and the house went into committee, Mr. Smith (Cumberland) in the chair.

Mr. CAHAN: In moving this resolution I draw attention to the fact that after a very long, debilitating and painful illness the late commissioner of patents died recently. During the course of his illness it seemed inappropriate to undertake any radical reorganization of the patent office, and I was awaiting the time of his retirement, because he had expressed a desire to retire when he reached the age of sixty-five, at which time his pension could be appropriately determined.

The patent office is, I think, one of the most important branches of any department of government. It has a staff at present of ninety-nine officers, clerks and employees. It is not suggested that these officers and employees are to be removed from office, or that there shall be any change in personnel. It will be necessary to appoint a new commissioner of patents, and the reorganization of the office will, I trust, be carried out by the civil service commission by the division of work between those who are now in the office and who in the course of time have acquired technical experience in its administration. With regard to the appointment of the commissioner of patents, I am suggesting in this resolution and in the bill which I hope I shall be permitted to introduce that the commissioner of patents should be appointed by order of the governor in council. The commissioner must be a man of experience in patent work, one with administrative capacity, with technical knowledge, and acquainted with both the official languages of this country. It is difficult to find such a man. It is considered that perhaps the government would be better able to select a man for that office than the civil service commission, but that is a matter for the consideration of the house when the bill comes before it.

The volume of business in the patent office is very considerable. During the past fiscal year there were before it 58,904 official transactions. Applications for patents alone totalled 9,267. The examination of applications by the expert officers of the department resulted in allowing 9,621, and 9,122 patents of invention were issued. A large number of assignments of patents or interests in patents were recorded, the deeds registered totalling 6,577.

Then in the patent office there is the copyright branch. Copyright registrations last year numbered 2,537, and with respect to each application for the registration of copyright or trademark, expert knowledge is required in the administration of the office. The trademark registrations numbered 2,066, and assignments of copyrights and trademarks amounted to 1,143. Cancellations numbering 843 were made under the unfair competition act which this house passed in 1932.

This branch is important from the point of view of revenue. During the last fiscal year net receipts amounted to $429,341.90, and owing to the general financial situation that represented a decrease in net receipts of $109,998.74. The expenditures of the office amounted to $208,133.13. So that the net revenues of the office, the surplus of receipts over expenditures, amounted to $221,208.77.

In view of the very considerable revenue received and the large expenditure required for the maintenance of the office the government were of opinion that a reorganization should take place in the matter of personnel. This resolution proposes such reorganization. If it had not been for the fact that this resolution and the bill founded upon it involve an expenditure of public funds I think it might have been advantageous if the bill had been introduced in the Senate, where a committee might have been set up to deal with the technical aspects of the matter. Such a committee might hear representations made by the expert patent lawyers of the country, who undoubtedly will be more or less interested.

The bill is also a consolidation of the patent laws. It involves one very considerable change in patent administration. At the present time the holder of a patent has a complete monopoly with regard to the production of the patented invention during a term of eighteen years, which is, I think, two years longer than is granted in the United Kingdom. But it has been found in practice that this monopoly has been abused by foreign holders of Canadian patent rights. I remember that when the economic conference met in Ottawa in 1932 complaint was made by industrialists throughout Canada that trade with the United Kingdom in certain mechanical appliances, which were patented, was prevented by the fact that the inventors of the United Kingdom, when making assignments or grants to licensees under their patents, were accustomed to include Canada and the United States in one field of operations. I was not able fully to investigate their complaint, but they stated that when they went to the United Kingdom to buy machinery or other mechanical appliances patented and manufactured there, for importation into Canada, they found that in many cases the inventor had granted the sole right to Canadian territory to manufacturers in the United States. They were told that they could not purchase in the United Kingdom but that they must obtain

these appliances for use in Canada at some office on Broadway, New York, or in Dayton, Ohio, or in Pittsburgh or Chicago or some other city in the United States, showing that with regard to patents applied for originally in the United Kingdom and thereafter applied for in Canada under the international agreement, to which both the United Kingdom and Canada are parties, monopolies were set up in Canada which prevented the production of the patented process in Canada, although a considerable demand might exist in the Canadian market.

This proposed bill will grant patentees three years during which they will have a complete monopoly. It will provide also that if at the end of three years they do not work the patented invention or process in Canada then, so long as they fail to work it, they will not be able to bring in the courts of Canada actions for infringement of the patented invention which is not worked on a commercial scale within Canada.

As to the working of the patent we have adopted certain words from the English patent act which it has been suggested are more clear and simple than those formerly included in the statute law of Canada. It is suggested that the inclusion of these words will have this advantage, that the English decisions on the working of patents may be referred to for the advice of our patent officers and for the consideration of our courts when these cases arise.

Mr. STEWART (Edmonton): I should like to ask the minister a question before he leaves that highly important phase of the amendment. He has stated that the patentee will be entitled to protection in Canada for only three years unless he has sold his patent to some Canadian firm for manufacture. Is that practice in vogue in any other country?

Mr. CAHAN: A provision for working has been adopted in many other countries. I am speaking now with certain mental reservations; I should like to go into the question at a later date, but in many other countries if the patent is not worked at the end of three years the governmental authority can compel the granting of licenses to the domestic manufacturers. As a matter of fact, up to the present under our law it has been provided that compulsory licenses might be granted by the commissioner of patents in case of non-working at the end of three years. The difficulty, however, has been in the administration of the office, to ascertain definitely whether the patent is being worked in Canada at the time the issue arises, and I was proceeding to state that this bill will require each patentee to make a report to the commissioner at stated intervals as to whether the patent is being worked within the meaning of the act within the confines of Canada.

Mr. STEWART (Edmonton): I should like to ask one other question while the minister is on that point. In the event of the inventor disposing of his patent and manufacture taking place, is he still protected for the eighteen years?

Mr. CAHAN: If the patentee or his licensee or assignee is working in Canada, the patentee, assignee or licensee—who are called personal representatives in our act—continues to have a complete monopoly so long as he works on a commercial scale to satisfy the Canadian demand. If the commissioner decides that he is not working so as reasonably to satisfy the Canadian demand provision is made for an appeal from the commissioner's decision to the Exchequer Court of Canada, which I think gives reasonable protection.

This is no party measure. It is simply an earnest effort to overcome some existing evils, and when the bill is before the house or a committee of the house I shall be only too happy to receive suggestions from hon. members. It is difficult to discuss, on this resolution, the express terms of the proposed bill, but I think I have explained quite clearly the general intent of the bill which will be founded upon the resolution now before the house.

Mr. MACKENZIE KING: May I ask my hon. friend whether it is his intention, after the bill is introduced, to refer it to a committee or to discuss it in the regular way in committee of the whole?

Mr. CAHAN: I am open to the suggestion of the right hon. gentleman. I should have preferred to present this bill to the committee of the whole house for general discussion.

Mr. MACKENZIE KING: I was not making a suggestion; I was just asking my hon. friend which course he intended to adopt. Certainly he should do as he may think best.

Mr. CAHAN: I may state frankly to the hon. gentleman that I would prefer to bring the bill before the committee of the whole house so that the general principles might be affirmed by this house. I have in mind also that when it goes before the Senate, who heretofore have taken a very considerable interest in patent measures, I would be perfectly willing to appear before their committee, as I have in times past, in order that

there might be a full examination and investigation by the Senate committee of all matters relating to the proposed bill.

Mr. STEWART (Edmonton): May I suggest to the minister that inasmuch as this measure affects a very large number of Canadian inventors it should go before some committee so that those people interested could appear and make their representations. I believe the bill which will be introduced may have a very far reaching effect upon inventors. Usually an inventor has not very much money to defend himself and I believe his case should be heard before some committee. I am not particular whether it be a committee of the House of Commons or one of the Senate.

Mr. CAHAN: I quite agree with the hon. member. I had intended that the bill should be introduced in the Senate in the hope that the proposed amendments might be investigated by a Senate committee, but inasmuch as the measure involves an expenditure of public funds we found it necessary to introduce the measure in this chamber. I shall be happy to leave the matter open and upon second reading of the bill would be very glad to receive any suggestions from hon. gentlemen opposite as to whether or not the bill should go before a committee of the whole house or a select special committee.

Mr. MOTHERWELL: May I ask the minister if he has estimated the number of positions which may be dropped and how many members of the old staff may be dispensed with as a result of the reorganization?

Mr. CAHAN: I would reply to the hon. member that I had not contemplated the bill would displace any members of the old staff. I think it will be necessary for the civil service commission to rearrange their duties so that the present staff may perform the duties with greater efficiency and perhaps in lesser time than heretofore. However I had not contemplated a removal of any of the old staff.

Mr. CHEVRIER: Mr. Chairman, at this stage I do not wish to delay the house by any lengthy observations, but I may say at the outset that I look upon this resolution with a good deal of apprehension. There is no doubt the patent law and the law relating to patents of invention ought to be looked into and brought up to date. There could be no question about the wisdom of that procedure, but I believe the appointment of a commissioner of patents by the governor in council would be a procedure laden with tremendous possibilities and for that reason I am somewhat fearful of the consequences.

Of course when the bill is introduced we will have more detail, but at the moment undoubtedly it appears to be the intention of the government to appoint a commissioner of patents by order in council. The Secretary of State has said that the appointee must be a man who has had wide experience in patent law. That may be quite true, but the minister adds that the civil service commission would find difficulty in selecting a man with such qualifications. Here is another instance of an inroad or an encroachment upon the rights of the civil service commission. We have a civil service commission, and it ought to be given the work to do for which it was created; otherwise it should be scrapped. There is no use at every session of parliament either through the estimates or measures of this kind of nibbling away or decreasing the rights of that commission.

There is a provision whereby technical men may be appointed; boards may be set up by the civil service commission, and that commission may select practically any man or officer. I am very much afraid—in fact I am certain that this measure will have the effect of interfering with the commission. I might go as far as to say that I do believe that at this very moment there are in certain circles some who are pretty well aware of who the incumbent of the position will be.

Mr. CAHAN: Certainly he is not known by the department. A number of applications have been received.

Mr. CHEVRIER: That may not be going as far as I have gone, but it is going some distance. Apparently a certain number of applications have been received. Nevertheless it is quite obvious that the present measure involves an encroachment upon the merit system. The former incumbent was a man of vast experience, a civil servant who did credit to his position. He did not step into this particular post, because when Mr. O'Halloran was retired the position was considerably cut down. The late Mr. Richard in recognition of his work and merit was appointed to the position.

Mr. CAHAN: By the government of the day, I understand.

Mr. CHEVRIER: But he was then a civil servant, a man who for many years had been employed in that particular branch of the service. He was not an outsider, and I doubt very much whether under the proposed change the government of the day will appoint any one now in the service to fill this position. Undoubtedly it will be a man from the out-

side. That point is I think quite clear from the resolution, because in it I find the expression:

To provide for the appointment of an assistant commissioner and such examiners, clerks and stenographers as are necessary for the administration of the act.

Of course when the bill is presented we will know whether or not those appointments are to be made by the governor in council or by the civil service commission. The commission is in office for a purpose and if this government does not want it to operate under the terms of the act why does it not take the responsibility of doing away with it? During the last session a number of appointments were made, and one of the most glaring encroachments upon the powers of the civil service commission was in the dying days of the session. If this government wishes to reform, let it say so in no unmistakable manner; let it say that it is content to abolish the commission.

I reserve the right when the bill is brought down to look into the details. I believe the purpose could be better served by referring the matter to a special committee. The minister knows that some years ago the patent law was reviewed. The copyright law has been reviewed, and I think now is a proper time for a further review of patent law. As any change would have such far reaching consequences for inventors and the general public I believe it should be referred to a select committee.

Mr. CASGRAIN: Will only the chief commissioner and his assistant be appointed by the government, or will all the clerks and employees be so appointed, namely beyond the control of the civil service commission?

Mr. CAHAN: The only proposed appointment by the government is the appointment of the commissioner of patents, and the resolution so states. The entire reorganization which will take place and the fixing of the status of other members of the organization will be under the jurisdiction of the civil service commission.

Mr. CASGRAIN: May I ask the minister if the chief commissioner will be given the status of a deputy minister, and if not what will be his status?

Mr. CAHAN: I should think he would be given the status of a superintendent of a branch of a department.

Mr. CASGRAIN: A director?

Resolution reported, read the second time and concurred in. Mr. Cahan thereupon moved for leave to introduce Bill No. 7 to amend and consolidate the acts relating to patents of invention.

Motion agreed to and bill read the first time.

INTERPRETATION ACT

Hon. HUGH GUTHRIE (Minister of Justice) moved the second reading of Bill No. 3, to amend the Interpretation Act.

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

On section 1—Definitions.

Mr. GUTHRIE: Mr. Chairman, as I mentioned to the house when this bill was introduced, its object is merely to include Remembrance day in the Interpretation Act. By a statute passed by this parliament in 1931 Remembrance day was established throughout Canada as a public holiday. We had formerly observed the day known as Armistice day, but by the act of 1931 that name was changed, and we now celebrate as a public holiday Remembrance day. But the Interpretation Act did not include Remembrance day in the definitions, and there is no power, I understand, on the part of the government by order in council or otherwise to declare a public holiday. The government may declare a day a public holiday and the citizens may observe it as a public holiday, but there is nothing incumbent upon them to do so unless it is so declared by statute. The object of this bill is to make it certain that Remembrance day in the future will be one of the recognized holidays in this dominion. There are from time to time suggestions that other days should be made public holidays, such as Boxing day, which I believe has been established in some of the provinces as a holiday, but no consideration has been given as yet to suggestions of that kind. The only change by this bill will be to make Remembrance day a public holiday.

Section agreed to.

Bill reported.

REPRESENTATION ACT

Hon. HUGH GUTHRIE (Minister of Justice) moved the second reading of Bill No. 4, to amend the Representation Act, 1933.

Mr. MACKENZIE KING: Mr. Speaker, I assume that there is no principle involved other than the need to amend the Representa-

tion Act as mentioned when the bill was introduced. In such case I have no objection to offer to the second reading.

Mr. GUTHRIE: I understand that all the hon. members immediately concerned have agreed to this. When the act was passed in 1933 a mistake occurred in regard to the boundaries of the city of Hamilton. The city council with the authority of the legislature had changed the boundaries of the city but that was unknown to the House of Commons when the bill was framed in 1933. This bill merely seeks to conform to the present city boundaries of the city of Hamilton.

Mr. C. G. POWER (Quebec South): May I ask the minister if it will be possible to move certain amendments to the Representation Act correcting abuses when the bill goes to committee, or must that be done now?

Mr. GUTHRIE: I would think not.

Mr. POWER: I did not understand the minister's reply.

Mr. MACKENZIE (Vancouver): He says no.

Mr. POWER: Under the circumstances, if the minister states that it will be impossible to move amendments to the bill in committee I would like to suggest, before this bill receives its second reading, that there is an urgent need for amendments to the Representation Act, the so-called Redistribution Act of 1933, and had we had the time to prepare for it undoubtedly some such amendments would have been proposed at this stage.

However, on the principle of the bill itself, I should like to note for the future that a representation bill may be amended between the ten-year periods during which it has been customary to allow a representation act to remain as it is. A precedent apparently is being created here, and I hope that there will be no objections to this precedent being followed at a later date in other years. But in order to show that perhaps the Representation Act of 1933 does require almost immediate amendment I wish to call the attention of the house to information which was furnished yesterday by the Secretary of State in answer to a question of mine which read:

How many names were inscribed on the electoral lists of each of the constituencies in the province of Quebec as a result of the recent general registration under the provisions of the Dominion Franchise Act, 1934?

It will be remembered that during the discussion of the redistribution bill in 1933 one of the reasons urged on the house for such drastic changes as were made at that time, particularly in the province of Quebec, was that it was considered necessary to alter the boundaries of former constituencies in order to give more equality in representation. Now that we have the list of constituencies in at least one province, showing the numbers of electors inscribed on the list, I think the house will be interested to know that this so-called equality of representation has certainly not been achieved. I do not wish to read the numbers of electors in each of the constituencies but I should like to point this out, that in the province of Quebec the very first name on the list is the constituency of Argenteuil, represented in this house by Sir George Perley. The number of electors in that constituency is 10,390. Another rural constituency geographically alongside Argenteuil is, if I remember rightly, Joliette-L'Assomption-Montcalm. At the present moment, and before the redistribution act comes into force, this constituency is represented by two members, my hon. friend from Joliette (Mr. Ferland) and the hon. member for L'Assomption-Montcalm (Mr. Séguin), one of the oldest members of this house in point of time of service. These two counties were put together under the redistribution, and the combined population of the county now to be known as Joliette-L'Assomption-Montcalm is 30,282. That is to say, the voting population; in other words it takes three times more votes to elect one man in this constituency than it does in the constituency of Argenteuil, represented by my right hon. friend the minister without portfolio. I notice also that on the island of Montreal there is no great equality in the distribution of voters. For instance, the hon. the ex-Secretary of State (Mr. Rinfret) represents a constituency, that of St. James, in which there are 54,617 voters, whereas the present Secretary of State (Mr. Cahan) represents a constituency, St. Lawrence-St. George, in which there are 24,570 voters; and my good friend from St. Ann, also on the government side of the house, represents a constituency in which there are 20,638 voters, while my good friend from Jacques Cartier represents a constituency with 20,995 voters. The member for Lévis represents a constituency with 14,512 voters, a constituency which is largely urban and partly rural. He is also on the government side of the house.

Even in the city of Quebec my good friend the Solicitor General (Mr. Dupré), who represents Quebec West, represents 22,759 voters, and I must say that the number in Quebec South is not very much greater, namely, 23,754. I notice also that Dorchester, repre-

sented by a very able member on the other side of the house (Mr. Gagnon), has 12,535 voters, and Stanstead, also represented by a member on the other side, has a voting population of 14,406.

I thought it worth while to call the attention of the house to some of these figures in order to show that the protests which were made from this side in 1933 have been found to be in some measure justified, and that one of the strongest reasons urged for the adoption of the redistribution as outlined by the government at that time has not worked out in the manner in which we were led to believe.

In the circumstances, inasmuch as the members on this side do not wish to delay the consideration of the very important measures which we are led to believe are about to be brought down, it is likely that no amendments will be moved. But we wish to go on record as expressing once more our disapproval of the act of 1933.

Mr. F. G. SANDERSON (South Perth): I wish to add a word or two to what my hon. friend has said. I may tell the minister that the same condition that exists in the province of Quebec, about which the hon. member for Quebec South (Mr. Power) has spoken, exists in Ontario. I am not going to take up the time of the house to go into any details, but apparently the government thought in 1933 that they were putting over what they considered a fair redistribution bill. As far as Ontario is concerned, in relation to five or six or seven seats, it is manifestly unfair; it is not a redistribution but a gerrymander. I therefore wish to go on record this afternoon, and some time in the future I shall have an opportunity to go into the matter in more detail.

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

On section 1—Hamilton East.

Mr. GUTHRIE: I do not think I have anything to add to what I formerly said, except this. Under section 51 of the British North America Act a census is taken in this country every ten years and it then becomes the duty of parliament to pass a redistribution act or a representation act to conform with the figures found by the census. It is not therefore usual and I do not know whether it is proper until another census has been taken, to change at all the basis of that act.

This bill which I now propose is purely technical; it is really to correct a clerical error or an error made by the committee or those who dealt with the matter on the assumption that they were dealing with the correct boundaries of the city of Hamilton. Subsequently it turned out that they did not deal with the correct boundaries. I was asked to bring in the bill; I consulted the various members interested, the hon. member for East Hamilton (Mr. Mitchell), the hon. member for West Hamilton (Mr. Bell) and the hon. member for Wentworth (Mr. Wilson) and they all thought the mistake should be remedied. I have also consulted with the chief electoral officer; he has consulted with the franchise commissioner and he says that no difficulty will be involved in the lists; that there is sufficient power now to correct the lists in respect of both the Hamilton ridings.

Mr. STEWART (Edmonton): I do not intend to offer opposition, but I want to express my surprise at the action of the government and the reason given for the amended sections in connection with the city of Hamilton. Hamilton is not by any means, may I point out to the minister, the only city where boundaries have been ignored. In nearly every city in the dominion boundaries were not taken into consideration. Calgary, the western portion of which the Prime Minister represents, has been cut into three constituencies. Moreover, I want to point out to the committee that upon investigating the redistribution bill after it was passed by the house, I was surprised that some of the arrangements that had been made had not been carried out, but I assumed the matter was settled and settled for ten years and I made no protest. The reason offered by the minister that it is found the redistribution dealing with the city of Hamilton is in error because it does not conform with city boundaries, does not seem to be a valid excuse for opening up or changing this particular constituency. I do not assume any great political advantage will be gained by what is being done, but I am strongly of opinion, unless territory is omitted altogether and individuals are disfranchised, the redistribution should stand as passed by the House of Commons at the last session. As I pointed out before, I cannot see very much in the contention that those two particular constituencies have suffered any injury by the redistribution bill of last year.

Mr. POWER: I am rather interested in the argument of the Minister of Justice which in effect is this, that if a clerical error is found, we may very properly change the Representation Act within the ten-year period,

but if a glaring injustice has been committed with malice aforethought, we should not do so.

Mr. ELLIOTT: Might I point out to the minister that the description that is now sought to be changed is a definite description of certain portions of the city of Hamilton. The Representation Act of 1924 which was followed by the act of 1933, provided this description:

Hamilton East consisting of that part of the city of Hamilton lying east of Wellington street and west of Ottawa street.

Clear, definite boundaries, a definite part of the city of Hamilton.

Hamilton West consisting of that part of the city of Hamilton lying west of Wellington streeet, east of Paradise road, and north of Coate's Paradise.

That is a definite section of Hamilton.

Mr. GUTHRIE: The point is they did not include the city of Hamilton.

Mr. ELLIOTT: They did not purport to include the city of Hamilton.

Mr. GUTHRIE: Yes, they did.

Mr. ELLIOTT: There were two parts of the city of Hamilton and the boundaries remain the same. This is a change made in the act which was passed two years ago, and it is a change in direct contravention of the law that changes shall take place only every ten years. If there were a part left out, or if it had not been properly described, I could see the strength of my hon. friend's desire now to make an amendment so that clearly every part would be taken in. But that is not the point in this case. These sections were drawn and it was clearly intended that so far as the two Hamiltons were concerned, there would be no change.

Mr. GUTHRIE: I was not present in the house at the time the Representation Act was passed; I was out of the country; but my understanding was that the city of Hamilton was to be entitled to two seats and when the clause was drafted it was supposed the city of Hamilton had been included in the two seats. Subsequently it turned out that the boundaries of the city of Hamilton had been changed; now the two seats do not describe that city and the object of that bill is to describe Hamilton and to include the city in two seats.

Mr. ELLIOTT: My hon. friend very fairly states that he is not familiar with what took place. What happened was this: in certain ridings there was to be no change.

[Mr. Power.]

That was set out at the early meetings of the redistribution committee; when the general committee met it was decided that there would be no change in so many ridings, and the two ridings of Hamilton were included among those.

Mr. GUTHRIE: That is what we want to make it—two ridings.

Mr. ELLIOTT: The two portions of Hamilton were constituted two ridings. There was no change. The point I want to make is this, that we are making a change now. If this change is entitled to be made, whether it is of advantage or disadvantage to either party is not the point; we are now revising the Representation Act within a period of ten years.

Mr. GUTHRIE: No, we are correcting an error.

Mr. MacNICOL: The remarks of the hon. member for West Middlesex are correct to a certain extent, that is as to the opinion of the committee at the time the two ridings of Hamilton and that of Wentworth were considered. The committee understood and agreed unanimously that the boundaries of those three ridings were not to be disturbed, were to remain as they were; but apparently when the measure was drafted the boundaries were disturbed, contrary to the will of the committee. I for one, am in accord with the bill before the house, because it amends the act to read according to the intention of the committee. As the act now reads it does not conform with the intention of the committee. The two members for Hamilton and the member for Wentworth were consulted at the time and they agreed unanimously with the committee's recommendations that the ridings as they were prior to the last redistribution measure were not to be changed, and as I understand it the bill before the committee now restores the boundaries as they were.

Mr. MACKENZIE KING: That is quite different from what the minister said.

Mr. ELLIOTT: May I point out that my hon. friend is under a misapprehension. Let me read the boundaries as they were when the committee decided that there should be no change. Take first Hamilton East; this is volume 4 of the revised statutes—

Mr. BENNETT: It is printed in the bill.

Mr. ELLIOTT: But the Prime Minister will notice that what was decided on two years ago was as the old description is printed in the bill.

Mr. BENNETT: What is printed in the bill, to which reference is made, is a description of the city of Hamilton which was thought to be correct, but as a matter of fact it was not a correct description, the boundaries of the city of Hamilton having been changed. I think a similar course was followed in 1924-25 in connection with the redistribution of 1923, in regard to one item.

Mr. ELLIOTT: Under the explanatory notes the existing boundaries, that is existing at the time this amendment is proposed, are given as follows:

Hamilton East consisting of that part of the city of Hamilton lying east of Wellington street and west of Ottawa street.

That is exactly as it was before the redistribution. There was no change made.

Mr. BENNETT: Quite so, those were the boundaries of Hamilton in 1923.

Mr. ELLIOTT: No, we are talking of Hamilton East.

Mr. BENNETT: Well, the two together made the city of Hamilton.

Mr. ELLIOTT: It is not relating particularly to the boundaries of Hamilton, it is Hamilton East. That would be the part between certain streets. That is the same in both acts. We have Hamilton West, consisting of that part of the city of Hamilton lying west of Wellington street, east of Paradise road, and north of Cootes Paradise. That is exactly as it was in the old act, no change. What is now sought to be changed is the description that was clearly settled at the time of redistribution.

Mr. MacNICOL: My hon. friend knows very well that there was to be no change whatever in those three ridings, Hamilton East, Hamilton West and Wentworth.

Mr. ELLIOTT: And there was not.

Mr. SANDERSON: I would like to ask my hon. friend a question. He talks about arrangements and agreements; were all those arrangements and agreements kept?

Mr. MacNICOL: My hon. friend refers to—

Mr. SANDERSON: Sanctity of the contract.

Mr. MacNICOL: —certain ridings. I told my hon. friend I was very sorry—

Mr. SANDERSON: Spare your sorrow.

Mr. MacNICOL: It was not the fault of the committee.

Mr. SANDERSON: Do not be sorry for me, I can take care of myself.

Mr. MACKENZIE KING: Where is the hon. member for Macleod (Mr. Coote)? The section refers to Cootes Paradise.

Mr. GAGNON: May I be permitted to say a few words in reply to the remarks made by my hon. friend from Quebec South (Mr. Power). In giving some figures about some constituencies of Quebec I am afraid he has, doubtless unwittingly, given the committee a false impression. I ask him to refer to the debates in 1932-33, volume 5, page 5414, English edition where he will find the exact figures of the counties of the province of Quebec. If I may be permitted to quote a few figures he will see that the member for Dorchester has not, as my hon. friend has led the committee to believe, organized a little county for himself.

Mr. POWER: In order that there may be no misunderstanding permit me to correct my hon. friend by telling him that I was quoting the number of electors on the electoral lists furnished to me yesterday by the Secretary of State (Mr. Cahan) which presumably he had from the franchise commissioner, thus being up-to-date, showing the number of persons having the right to vote in the constituencies of the province of Quebec. I was not referring to population.

Mr. GAGNON: I accept the hon. member's explanation, but I think I might be permitted to add that when the members of the committee dealt with redistribution in 1932 they took into account the exact population of each county. If I may quote the figures given during the debate in 1933 on the redistribution bill he will find that for instance the county of Argenteuil to which my hon. friend referred had a population of 27,885. The county of Dorchester, which is also a rural district, has 27,155. Bellechasse, a neighbouring county to Dorchester, has 27,480, and the county of Levis which is near Dorchester and Bellechasse has a population of 28,548. So there is but a slight difference between the numbers of inhabitants in these three counties. These figures clearly show that the committee dealt with the redistribution of these counties in a fair and equitable manner.

Mr. POWER: We will agree on that.

Section agreed to.

On the title.

Mr. STEWART (Edmonton): Before the title carries I would remark to the minister

that I think he is establishing a precedent that may have far-reaching effects. As I have pointed out, the excuse given for this change does not seem to me to warrant opening up the redistribution act. The precedent might be taken advantage of.

Mr. BENNETT: It is quite obvious that under the statute there is only one redistribution to be made; that is consequent upon the decennial census. Taking the population of the province of Quebec and dividing by seventy-five you get your population base, and from that you make a calculation with respect to the other provinces, subject to the provisions of the statute with respect to fractions If this amendment were designed to change the basis of representation I would entirely agree with what has been said. But what happened was that the committee concluded that the city of Hamilton should continue with two members, and the neighbouring county of Wentworth should have one member. And they set down, wrote into the statute, the exact description of the city of Hamilton as it had been in 1924 when the last redistribution was made. The city of Hamilton was not properly described in that statute, that is the city of Hamilton of 1933. Therefore the change is now being made to define correctly the city of Hamilton. That is all.

With respect to the discrepancies in the number of electors on the list, it is hardly fair to take that as a base. The statute says the population is a base for comparison. It might well be that the number on the list of electors might represent a population much larger than that of a neighbouring county that had a smaller number of electors on its list, because the qualifications of electors under the Franchise Act is limited to British subjects of a certain age. If there were residing in a nearby community a large number of persons not qualified to be placed on the list it would obviously follow that any comparison based on the number of people on the voters' list would not be a fair comparison. My memory is—I am speaking subject to correction, I have sent for the statute—that after the last redistribution it was found necessary to correct a technical error, and I believe that on more than one occasion it has been necessary to do so.

I cannot add anything to what has been said by the Minister of Justice (Mr. Guthrie) nor do I desire to do so. What he said is perfectly clear, namely that he has endeavoured to correct an incorrect description of the city of Hamilton as it appears in the statute of 1933, to define correctly the area that was to be represented in this house by two members.

[Mr. C. A. Stewart.]

Mr. STEWART (Edmonton): I do not want to be misunderstood. A few moments ago I said that city boundaries played no important part in the redistribution of 1933, and I think every member of this house will agree with that statement. I want to point out to the committee and to the minister that to-day you are changing a boundary. You are no interfering with the representation; you are merely changing boundaries on the plea that it is to conform with city boundaries. That being the case I say you are setting up a very definite precedent which might be taken advantage of for party purposes if need be. This is something which, if it was used heretofore, was for the purpose of correcting errors; now it is being used for the purpose of correcting boundaries, and city boundaries have nothing at all to do with the boundaries as set out in the redistribution act, 1933. In some cases you conform to such boundaries, but in many other cases there is no conformation to boundaries at all. That is all I wish to say.

Mr. ELLIOTT: I should like to say just a word in answer to the Prime Minister. The right hon. gentleman is under a misapprehension. The city of Hamilton was not discussed by the committee. What was before the committee was East Hamilton, West Hamilton and Wentworth. There was very little discussion about those constituencies, because they were left unchanged.

Bill reported.

CRIMINAL CODE AMENDMENT

Hon. HUGH GUTHRIE (Minister of Justice) moved the second reading of Bill No. 5 to amend the criminal code.

He said: Before the motion is adopted may I say that in introducing this bill I overlooked referring to two of its provisions. I thought the bill contained only a single clause in regard to the jury system in the province of Saskatchewan, but there are two other amending clauses in the bill as well. They are not very important, but I understood that they formed part of another bill, and was not aware that they were in this measure.

Mr. MACKENZIE KING: Do you refer to the amendment with regard to race meetings?

Mr. GUTHRIE: Yes.

Motion agreed to, bill read the second time and the house went into committee thereon, Mr. MacDonald (Cape Breton) in the chair.

On section 1—Race meetings.

Mr. GUTHRIE: Perhaps I had better offer a word of explanation. Last year we amended the criminal code to provide that there might be fourteen days of continuous racing on authorized race tracks instead of two meetings of seven days each. In drafting the bill, however, we did not state that these days must be consecutive. Consequently there has been an attempt on the part of some race track proprietors to say they have had only half a day of racing or no racing at all because of rain or for some other reason, and to spread the period over more than fourteen days. This amendment is designed to make it clear that the fourteen days must be consecutive. The last few words of the section make it clear that there are to be only two meetings, if the fourteen day meeting is not carried on. The two meetings are to consist of seven days each, and they must be twenty days apart.

Section agreed to.

Sections 2, 3 and 4 agreed to.

Bill reported.

PENSION ACT AMENDMENT

Hon. D. M. SUTHERLAND (Minister of Pensions and National Health) moved the second reading of Bill No. 6, to amend the Pension Act.

Hon. IAN MACKENZIE (Vancouver Centre): Mr. Speaker, I desire very briefly to support the principle of this legislation. I could have wished for a specific period to be mentioned but perhaps, because of the uncertainty as to the accumulation of work, that might not be possible. I should like also to take this opportunity of commending the work performed by the acting chairman of the Canadian pension commission since the last session of parliament. I think he has handled his work effectively and with expedition, and I want to take this, the first opportunity, to pay that tribute to him.

When the bill is in committee of the whole I should like the minister, if possible, to give the committee some information with regard to the arrears of work at present confronting the members of the Canadian pension commission, and I should also like the minister's own estimate as to how long it will take to have that work cleared up with the aid of the two or three new commissioners. With these observations I desire to commend the principle of this bill.

Motion agreed to and the house went into committee, Mr. MacDonald (Cape Breton) in the chair.

On section 1—Tenure of office.

Mr. SUTHERLAND: Mr. Chairman, in reply to the hon. member for Vancouver Centre may I state that there are 2,938 quorum hearings to be heard at the present time. These figures do not include those cases where the pensions were cancelled or reduced in 1933, owing to change in basis of entitlement, and which were subsequently restored pending a hearing before a quorum. On January 1 of this year there were still 296 of these cases to be heard, together with 64 assessment cases. There were slightly over 100 cases which for some reason or another had been adjourned. The pension commissioner intimates that he is quite sure with the four extra commissioners the work could be completed in possibly a couple of years. That is the nearest estimate he can give.

Section agreed to.

Bill reported.

A CANADIAN FLAG

PROPOSAL FOR NATIONAL EMBLEM ON WHICH UNION JACK SHALL BE CONSPICUOUS

The house resumed from Thursday, January 24, consideration of the motion of Mr. Dickie:

That, in the opinion of this house, a national flag representing the Dominion of Canada should be adopted.

And that in any design for a Canadian flag the union jack must be conspicuous, and the proposed amendment thereto of Mr. Arthurs.

Hon. C. H. CAHAN (Secretary of State): Mr. Speaker, when this resolution came before the house I expressed the hope but not the sure confidence that I might be able to make some definite suggestions which would meet with the approval of those who have conflicting opinions with regard to the adoption of a national flag. I believe it is obvious that the adoption of a flag should be made with a certain degree of unanimity of public opinion, otherwise it is not likely to serve the purpose we have in view, namely that of creating a solidarity of national sentiment. I believe under the circumstances it would be quite impossible in a few days or perhaps during the whole session to reach anything like unanimity of opinion on either side of the house. To set up a committee at this time which could not report and provide for definite action during the present term of parliament would not be sufficient, because there must be very considerable discussion and further action before a national flag may be definitely, permanently and finally adopted.

I find that the question of the continuation of the present marine flag is involved and so there would be very considerable conflict of opinion.

If the house acquiesces I should like to suggest that the mover and seconder of the amendment and the original mover and seconder of the motion might consider the propriety of withdrawing the motion at the present time, because any action which may now be taken is not likely to achieve the end which the great majority of hon. members must have in view, namely the design of a flag which will have unanimity of public sentiment behind it and will be accepted generally as our flag for the future.

Mr. JAMES ARTHURS (Parry Sound): Mr. Speaker, as the mover of the amendment I have the permission of my seconder to withdraw. I can understand readily that in a matter of this kind it is wise to go slowly because of the necessary investigations which must be made. Consequently in view of the fact that we will be having a business session, so far as I am concerned I am content to withdraw the amendment.

Right Hon. W. L. MACKENZIE KING (Leader of the Opposition): Mr. Speaker, if it will help to relieve the government of its embarrassment and let us get on with social reform I shall have no objection to offer from this side of the house to allowing the member who moved the resolution to withdraw it. I must say we witnessed an amazing spectacle when we saw hon. gentlemen opposite take up an entire day in a discussion of this measure. What was even more amazing was the fact that they spent the afternoon differing from each other. Hon. members on this side of the house had gained the impression from what the Prime Minister had said that there was nothing so urgent as the immediate reform of the capitalist system, that we were to have legislation as soon as the house met which would begin to set everything to rights, and that the government would bring in an insurance measure with respect to unemployment and with respect to pretty much everything else that could be mentioned as coming within the classification of social insurance. We have on the order paper the following resolution standing in the name of the Prime Minister:

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.

According to what the Prime Minister said to the house this matter was so urgent that he felt obligated to have the notice I have read appear on the order paper on the first day the house considered the address, and it is somewhat surprising the resolution has remained unproceeded with ever since. The government is not ready to proceed with it. Last night I asked the Prime Minister if he could not arrange to proceed with the resolution to-day and he said that it would have to stand until Monday. The government has still to consider the legislation which the people of Canada were told by radio broadcasts was all ready and special mention of which would appear in the speech from the throne. They were told that we must have these measures enacted at once. The trend of every speech that the Prime Minister made was that this matter was so important that great haste would have to be made in it. Now we of the opposition have tried to do what we could to expedite the introduction of this legislation. I think hon. members will admit that we have refrained from discussion, for except for one speech there was no discussion from the official opposition of the speech from the throne. With respect to private members' resolutions we have refrained from participating in those debates, rendering our position liable, if you will, to be misconstrued in the public mind as not supporting to the extent that we should these various measures. With regard to the bills that have been discussed this afternoon we have cooperated with hon. gentlemen opposite in getting them through different stages just as rapidly as possible. I think in that regard our attitude has been made very clear.

The other afternoon, when we had only the afternoon to devote to public business, hon. gentlemen opposite took up the entire time of this house from three o'clock to ten minutes to six with a discussion of this flag resolution. There were nineteen members I think on the Conservative benches who participated in that debate. And what did it all amount to? The hon. Secretary of State (Mr. Cahan) knew as well at that time as he does to-day that it was going to be a difficult matter to get unanimity in his own party on that question. He only had to sit there and listen to them fighting each other over it.

I want to take exception to one remark my hon. friend made this afternoon when he said that he thought there would be difficulty in having unanimity upon the subject

on this side. This question has been before the house before and we have been unanimous from the start, and we are to-day.

I do submit that the whole purpose of that discussion the other afternoon was to give the ministry time to see what it could do in the way of getting together some of the legislation that the Prime Minister said over the radio was all in readiness and must be put through just as quickly as possible. If it is going to help hon. gentlemen opposite to get out of their embarrassment, and more particularly if it is going to enable us to get nearer to the point where we can consider legislation that the country is waiting for, we shall consent to the withdrawal of the resolution, but our consent is on those grounds and those alone.

Right Hon. R. B. BENNETT (Prime Minister): The right hon. gentleman has availed himself of this opportunity to attack the government with respect to its legislative program and he has made statements that are at variance, I am happy to say, with the facts. The resolution which was debated in this house was a private member's resolution Its subject was more or less a hardy perennial and has been discussed with a good deal of feeling, and sometimes with acrimony. It was not put on the order paper at the instance of the government. It was put on by a private member on his own responsibility, and I may say without consultation with the government.

Mr. MACKENZIE KING: I never said that it was put on at the instance of the government. I said that it was debated all afternoon to give the government a chance to make up its mind.

Mr. BENNETT: I will deal with that too. That is not true—that is a short way to put it.

Now let us go a step further. The right hon. gentleman has said that the differences of opinion that manifested themselves on this side of the house with respect to a private member's motion had something to do with the legislative program of the government. As a matter of fact, until I saw in Hansard what had transpired I was not aware of the differences of opinion to which attention has been directed, except for what I was told, for I was engaged in seeing people in the room adjoining. I was not considering the government's legislative program.

With respect to the notice of motion that stands in my name I put it upon the order paper because it had been mooted that the opposition would not discuss the speech from the throne, and I gave notice so that I might advance it one step without having any possible delay.

Mr. MACKENZIE KING: Why has it not been advanced two steps?

Mr. BENNETT: Just because it is not in accordance with the plans we have with respect to it.

Some hon. MEMBERS: Oh, oh.

Mr. BENNETT: That is the very reason. It is the reason which the right hon. gentleman himself gave when he was Prime Minister with respect to some of his legislation.

The debate that took place in this house on the resolution of a private member had no relation in any way, sense or form, direct or indirect, to the consideration of the measure that will be submitted to this house when the resolution standing in my name has been adopted by this chamber. I assure the right hon. gentleman of that, and if he has his usual suspicions with respect to it he can satisfy himself by inquiry that that is so.

The bill about which he talks, and which he insinuated had not been printed, was as a matter of fact placed in form on exactly the last day of March, I think, in 1934. It was discussed with the Department of Justice and the minister prior to that date. When I introduce the bill into this house, and the house understands, as it will, the complexities and the difficulties of this measure, it will realize that there is a good reason for everything that I have said—a very good reason indeed.

When I said, speaking over the radio, that it was important that these matters should not be delayed, the right hon. gentleman knew quite well that I was speaking to an intelligent public which did not expect parliament to meet one day, pass legislation the next, and prorogue the next.

Mr. STEWART (Edmonton): I fear that was the impression they got.

Mr. BENNETT: No, I do not think intelligent people got that impression.

May I go further, because I regard this matter as important? I said that this was the time to introduce the legislation, and that is the reason it is being introduced this session. But there are many things that parliament has to deal with besides a single measure. The method of dealing with it, the time that will be taken up, the maintenance of the public service—all these are matters which the government must have in mind. We have pointed out on more than one

occasion that there would be just as small a program of legislation dealing with these various matters as is consistent with the public interest. We have made that abundantly clear from the start. It will not be on Monday that this measure will be dealt with because that is private members' day. It will be dealt with on Tuesday.

There is no necessity for the heroics of the right hon. gentleman. Does he believe for a moment that anyone is deceived by this sort of talk? I wonder if a highly trained mind such as his thinks for a moment that the intelligent people of this country are deceived by these mock heroics? Does he imagine for a moment that anybody is deceived but himself when he talks about his anxiety that this thing should be done, expecting that it might be done in a day or a day and a half, or two days. I have heard some of his own friends suggest why he did not want parliament to rise too soon, that it must sit fifty days at least. But that is not a reason.

We are proceeding in an orderly manner with the legislation that we are submitting to this house. The hon. member for Winnipeg North Centre (Mr. Woodsworth) is aware of the statement that was made in this house by myself that before this house had finished its life we would introduce an unemployment insurance bill, and from the day that we completed the census, which was long after the time that we might expect, of the number of unemployed, because we put a special schedule in the census returns to ascertain what the number of unemployed was on June 1, 1931—from the completion of that census we have been engaged in the preparation of this legislation, and when it is before the house, the house will realize just what is involved in it and the difficulties that had to be overcome in its preparation. The first mimeographed copy of it I think was completed in the early part of 1934, the basis for the preparation of the act having been obtained in England in 1933, and from that time until this we have been engaged upon that legislation. I said yesterday that the cabinet desired to consider it further on Saturday because the change of a single cent with respect either to contributions or compensation necessitates the making of new actuarial computations, and as the facts develop and further information is obtained questions arise necessitating consideration. I believe that the bill was actually printed, instead of mimeographed, at the time I was making my addresses on the radio, and certainly it has been mimeographed since 1934. It certainly was mimeographed then.

[Mr. Bennett.]

Now I desire to make that observation, because I think it is not deceiving anyone, not even the right hon. gentleman himself, to assume that in the statements that have been made there was any thought that parliament was to meet in the morning pass legislation in the afternoon and prorogue in the evening. That was not the purpose; but in an orderly and proper manner parliament will proceed with the work that has to be done and I have no doubt that in due course it will be passed. But there are other matters. Estimates must be dealt with; the public service must be maintained; there must be provision to deal with the conditions that exist in western Canada where they say that they are so largely dependent upon what they get from us to maintain the lives of their people and the credit of their provinces. These matters have to be dealt with and they will be dealt with. No one suggested that everything else would be dropped in order to proceed with particular legislation. But at this session not at some other session, at this time, not at some other time, we propose to deal with these things and, as the result of that intention, we shall proceed with them in due course.

Mr. MACKENZIE KING: The Prime Minister suggests that I insinuated something. If he will look at Hansard he will find that I insinuated nothing. I asked one direct and plain question and I put it in the politest terms possible:

May I ask my right hon. friend if the bill related to this resolution is drafted?

Mr. BENNETT: And what was said about not being printed?

Mr. MACKENZIE KING: That was a straight question I asked my right hon. friend. As to its not being printed, I said nothing.

Mr. BENNETT: Last night.

Mr. MACKENZIE KING: I am reading exactly what I said last night:

Mr. Mackenzie King: What business will be taken up to-morrow?

Then the Prime Minister answered.

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.

May I pause here to say that in speaking this afternoon the Prime Minister did not say Monday but Tuesday.

Mr. BENNETT: I did say Monday but realized then that Monday is private members' day.

Mr. MACKENZIE KING: I thought at the time that my right hon. friend was making a mistake though I confess that I did not call his attention to the fact. Then I asked the Prime Minister this question:

Mr. Mackenzie King: May I ask my right hon. friend if the bill related to this resolution is drafted?

The Prime Minister thereupon made a reply, following which I said:

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.

And that ends all I had to say. Where did I insinuate anything about the legislation not being printed? That is pure bluff, just the kind of thing the Prime Minister has been giving the public over the radio.

Mr. BENNETT: The right hon. gentleman, if he now desires to engage in that kind of discussion, is out of order. He has no right to be making a speech of this kind at this time; he knows that.

Mr. MACKENZIE KING: Is the Prime Minister to have the right to misrepresent my position?

Mr. WOODSWORTH: What is the business now before the house, Mr. Speaker?

Mr. MACKENZIE KING: The Prime Minister accuses me of heroics and speaks about the public not being deceived by them. The public will not be deceived by any of his heroics over the radio.

Mr. BENNETT: All I say is that the right hon. gentleman suggested last night that the bill was not drafted.

Mr. MACKENZIE KING: The Prime Minister asks what was said about the bill not being printed. It is bluff, like all the rest. My right hon. friend has been found in the position he now takes too often.

Mr. POULIOT: May I bring to your attention, Mr. Speaker, the fact that there is a strong odour of grease in the house. It must be the smell of the social legislation which is being fried in the pan in the Prime Minister's office.

Mr. SPEAKER: Is it the pleasure of the house that the amendment be withdrawn?

Amendment withdrawn.

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

Mr. C. H. DICKIE (Nanaimo): I can assure the leader of the opposition (Mr. Mackenzie King) that it was through no desire of mine that the debate on my resolution lasted an afternoon. I considered that it had sufficient merit to be carried through the house in an hour. However, in view of the fact that it has proved highly contentious; and that, being highly contentious, it has given rise to a debate which is likely to be prolonged should it be proceeded with; and because of the eagerness and avidity of the opposition and even of some of our members to have some of the more important economic measures proceeded with, I respectfully ask, with the consent of my seconder, that permission be granted to have the resolution expunged from the order paper.

Some hon. MEMBERS: Not expunged, withdrawn.

Motion withdrawn.

FEDERAL HEALTH POLICY

PROPOSED ADOPTION OF POLICY IN COOPERATION WITH THE PROVINCIAL GOVERNMENTS

The house resumed from Thursday, January 24, consideration of the motion of Mr. Spencer:

That, in the opinion of this house, the federal government should adopt a definite health policy which could be carried on in cooperation with the provincial governments.

Mr. J. P. HOWDEN (St. Boniface): I assure the mover of this resolution that what I have to say will be a word of commendation. I congratulate him on his consistency and persistency and on the many excellent efforts brought forward in the house in this regard; and I am also glad to congratulate him on the fact that now, probably for the first time, his efforts, judging by the remarks of the Minister of Pensions and National Health, are going to meet with success.

This is a worthy subject. I have been a medical man for over thirty years and in that time I have had ample opportunity to realize

that there was a great deal of need for a movement along these lines. You may call it state medicine if you like, but it has been long known to most medical men that the cost of medical service has borne and still bears very heavily on a large proportion of the citizens of this country. The well to do have never been concerned, for they could pay the cost; and for those in the lower and more humble walks of life who had no resources from which to pay, there was little concern, for the free clinics and the public wards of the hospitals looked after them pretty efficiently. But for those persons who wished to pay their way, with whom it was an honest desire if at all possible to meet the cost themselves, there was a real hardship; the cost of medical service bore very heavily upon them.

With that thought in mind I was prompted in 1931 to bring before the house a resolution that, in the opinion of the house, a measure of federal state medicine was in the best interests of the Canadian people. That resolution was debated through one entire afternoon and on into the evening. There were about nineteen speakers in the debate, including a good many on the government side of the house; and I think I am stating the truth when I say that, if not in every instance, at any rate in the vast majority of instances, the resolution met with sympathetic consideration. Nearly every speaker spoke in support of it with the exception of the Prime Minister, the then Minister of Pensions and National Health, and one or two others in the house. So I might pause here to assure the hon. member for Battle River (Mr. Spencer) that his resolution will, I believe, have the undivided support of members on this side of the house, and from what appears to be the situation at present, there will probably be no opposition.

In the next year, 1932, I had the temerity to bring the matter up again under a different heading, namely:

> That, in the opinion of this house, the government should take into immediate consideration steps that would: (a) provide for periodic medical examination of the Canadian people; (b) afford medical relief for those suffering from disease.

On that occasion the motion did not reach the house until fairly well on in the session, and although it was given some consideration, it was too late in the session for it to be thoroughly debated. Both of these resolutions and, I believe, the motion of the hon. member for Battle River have in view in some form or another some degree of state medicine, whether it be federal or provincial or a combination of the two. I believe the only way of dealing with the matter to the satisfaction of the people and the medical profession—and the medical profession has a right to be considered—is a measure providing for state medicine.

I would like to bring this feature of the situation to the attention of the house: in greater Winnipeg medical men have for some time had to take what they could get and that was very little, but in the last few months we have had established there relief measures. They amount to this: as regards surgeons, for a major operation for which a surgeon could formerly demand and command a fee anywhere from $100 to $500, he is to-day paid $25. Not only has the ordinary routine medical attendance been considerably diminished, but after a medical man completes his month and has given service in each of the several municipalities of greater Winnipeg, —and there are six or seven of them—running up to $150 or $200, or something of that kind, all he gets for his combined services in all municipalities is $100 a month. It is possible, therefore, if a medical man's patients have to a very large degree fallen on evil days and are now on relief, his entire salary may amount to $100 a month. A salary of $100 a month is, of course, better than nothing but compared with the fees that ordinarily would be paid to a doctor for efficient and intelligent services and the quantity of work of this kind he is expected to do, it does not seem to be an entirely fair way of treating him.

I noticed a remark by the Minister of Pensions and National Health (Mr. Sutherland) that the purpose of state medicine and these movements generally was to bring efficient medical attention to the Canadian people. That is very true; that was the original idea, but the doctor should get some consideration somewhere. I well remember when I was a youngish man, a good many of the younger medical men had to struggle pretty hard to make a living, while the older men were making good incomes but were overworked. The younger men very often got nothing to do and made no money, and at the same time a large portion of the population went without medical attention. As I said before, for this reason I was prompted to bring these two measures for state medicine before the house. I do not believe any measure of state medicine in Canada will be satisfactory unless it is practically the same for each province. I believe the federal authority should exercise a supervision, requiring uniform conditions in all the provinces, for which the federal authority would be prepared to pay. The

federal authority has at its disposal the means of raising funds much more easily than the provinces, and I have no reason to doubt that if it prescribed uniform conditions of this character for the provinces and was prepared to pay for those prescribed conditions, the various provinces would gladly accept the suggestion and the assistance.

Although I believe in the majority of the provinces there is a fairly satisfactory state of affairs so far as medical relief, medical care and even medical research are concerned, still the situation is by no means alike in all the provinces because undoubtedly at this time some of the provinces are spending and are able to spend much more money than are others. I believe what we want in this country—and I may not find many in support—is state medicine, federal state medicine. Let each province have its own machinery of state medicine, but let there be a federal supervision which would prescribe uniform conditions for the provinces and which would extend the necessary assistance to permit those conditions to be brought about.

In discussing this matter for the second time in 1932 I gave a list of benefits that were to be derived, that would accrue to the people of this country by a form of state medicine. That list was not original with me; it was the finding of a commission that had been appointed to inquire into the advisability of the adoption of state medicine.

I thought it was very much to the point, and with your permission, sir, I shall restate the benefits mentioned in that address:

> At present there are in Canada several thousand regularly qualified medical men and many other so-called doctors, in all probably a greater number than is actually required, ... Under state medicine there would be just as many doctors, nurses, masseurs and druggists as were actually required, and practitioners of doubtful value would be eliminated.

I do not think that requires any explanation.

> At present there are in many towns and cities more doctors than are needed, while many rural communities are entirely without medical service. Under state medicine every community would be part of some health district and the service would reach every family in the land.
>
> At present doctors are competitors of each other and economic pressure makes professional ethics farcical and impossible largely to the cost and undoing of the patient. Under state medicine there would be no need for ethics; professional cooperation would predominate.
>
> At present doctors in general are poorly paid, fees are irregularly collected and the financial interferes constantly with the professional side. Under state medicine doctors would be paid suitable salaries commensurate with their ability and work. They would strive to secure advancement and would not be harassed with the anxiety of ill-health, a penniless old age or lack of income. These matters would be taken care of by the state.
>
> At present the medical profession thinks the rich and well-to-do should pay for the services rendered to the poor, but the rich resent being penalized in this manner. Under state medicine all men, rich and poor alike, would receive the best we have to offer.
>
> At present the people consult physicians only in the instance of a known or obvious ailment and often when the disease is well-established. Under state medicine preventive medicine by periodic health examination would overcome this evil and would supplant largely the system of curative medicine now pertaining.
>
> At present consultations with specialists are expensive and frequently too long delayed. Under state medicine consultations would be free and there would be no cause for delay. Suspected cases of cancer, tuberculosis, and so on, could be promptly diagnosed and given a chance of recovery.
>
> At present people spend millions yearly in self-prescribed and counter-prescribed medicines, often of no value. Under state medicine there would be no patent medicines, nostrum or other drug traffic.
>
> At present the medical service is hindered by lack of public confidence, the economic interest of the doctor and the patient being largely opposed. Under state medicine the economic interest of the doctor and the patient would coincide and the service would give full confidence.

I need not read further. There are many other reasons stated in the debate on that occasion. I believe we need state medicine, that is, a combination of federal and provincial medicine, which would provide for the yearly examination of the Canadian people. The Minister of Pensions and National Health (Mr. Sutherland) may say that we could not take a person by the shoulders and drag him to the doctor if he did not want to go; but I think if it were understood that the examination was available to him he would readily go and be examined. It seems to me we require a scheme of federal and provincial state medicine under which the Canadian people can and will be annually examined once or twice, and if found to be the victims of disease will receive suitable treatment. Disease in this country would thus be cleaned up, making of Canada a better and a happier land.

Mr. G. D. STANLEY (East Calgary): Mr. Speaker, may I express my congratulations to the hon. member for Battle River (Mr. Spencer) upon having introduced this resolution, and upon introducing it in the terms in which it is now before the house. It gives us an opportunity of discussing in a general way questions of health which relate so intimately to our whole population. One of the most necessary and fundamental factors in the success of health activities or health

measures is that we should have an educated and rational minded public. Unless we have people who think sanely and are sufficiently educated in health matters to be able to use intelligently the services made available to them, we are not likely to attain much success in respect of any measures forced upon them. Hence the jurisdiction as we find it in this country, giving the municipality or the local health unit certain authority in regard to health matters, and then coming to the provincial organization and then to the federal Department of Health is, I think, rational and logical.

In regard to active, curative medical services extended by medical men to a family we should keep in mind the fact that there must be that close relationship, that feeling of confidence, that spirit of cooperation which will accept in a reasonable and willing manner the services which are extended. Consequently the present arrangement, which leaves in the hands of the municipalities the direction of matters pertaining to health, and which in no way interferes with that intimacy of relationship between physician and patient, is an ideal arrangement and one that must be maintained no matter what reorganization may be undertaken. The success of the treatment depends upon the intimacy of the relationship and the confidence between patient and physician. If one had the time and inclination to go back over the history of the development of medicine, one could show that only during those periods when that relationship of which I have been speaking existed did success attend medical or health activities. When ignorance, superstition and irrational thinking predominated and interferred with the proper and scientific use of health and medical science, then the services degenerated. It is a strange coincidence all through history that during those ages, from the earliest days to the present, when ignorance, superstition and irrational thinking predominated among the people of almost every land medical services and science and health activities were at their lowest ebb.

I have not time to go back over history. One might point to a few of the peaks in the development of health activities, hospitalization and medical science. For instance, from the earliest days until the time of Hippocrates who is looked upon as the father of medical science ignorance and superstitution predominated and no success was attained. But a remarkable change was brought about by the dominating influence of that master mind who lived in a period when, not only in connection with medicine but in almost every other line, people as a whole were more rationally minded. Hon. gentlemen will recall that Hippocrates lived contemporaneously with Socrates, Pericles, Euripides and other outstanding Greek philosophers, and the success which was achieved away back in the time of that civilization was brought about only by the application of rational measures of education to the people who were prepared to accept such measures and such advanced science.

Then you come along to the dark ages, when medical matters, health activities, hospital development, nursing and everything pertaining to medical science became a lost art. That was when the ignorance of the times defeated any spasmodic efforts made by men who happened to take some advanced stand in the promotion of something better. So we come along to the day of John Hunter, when another change took place. The superstition, ignorance and irrational thinking of the general public began to change, and as they became educated so the scientific measures advanced by this man began to exert an influence. So we come on down to the day of Pasteur, Lister and Florence Nightingale. They attained scientific advancement without a doubt, but had there not been a change in the educational attainments of the people in general and a desire for something better, their efforts would have been defeated. There was a change, not only in medical matters but in other spheres of activity as well. If you let your minds go back to about 1800, when this change began to be noticed, you will remember that in almost every line of development, whether it was economics, politics, business, finance or any other line, there was a general, gradual improvement, and with that came the education and enlightenment of the people, who accepted medical science.

Perhaps it was hardly advisable for me to take so much time in discussing this question, but I did wish to give this house and the country in general the important fundamental principle that behind all activity there must be that acceptance on the part of an educated rational minded public. I do not intend this afternoon to discuss state medicine, whatever that may be defined to mean, nor have I any intention of discussing at any considerable length health insurance. I presume that matter will come up for discussion in the future. But one thought must prevail in our minds, and it is that the improvement which has taken place from 1800 to the present time, and the advances that have been made in regard to all matters relating to health and medical science, have been mainly in connection with the prevention

of disease. It is true that there have been some very great steps taken in a positive manner in connection with scientific medicine, and all credit is due those who have brought about those reforms and advances. At the same time, however, I think I can safely say that the measures which have been taken with regard to the prevention of disease have saved more lives, have made society healthier and have made citizens more capable and more efficient in their work than all the other measures of a positive nature of which I have been speaking.

One illustration comes to my mind at the moment. Florence Nightingale, with whose work everyone is familiar, by one series of activities was able, at the hospital at Scutari during the Crimean war, to accomplish one of the greatest saving of lives ever undertaken in any military hospital. When she arrived there with her little group of nurses there was a mortality rate of forty-two per cent among the soldiers. In a few weeks under the same field conditions the mortality was reduced to less than two per cent. What measures did she take? Did she have at her command any startling scientific discoveries? No; she simply used the ordinary measures of prevention, and those measures resulted in the reduction of mortality to which I have referred. One could take much time in giving illustrations of the saving of lives.

On the other hand of course scientific medicine has made great advances. I believe the casualties from typhoid fever during the South African war were greater than the casualties from other causes. Yet on the congested fields of France and Flanders deaths from this sickness were almost unknown. We are face to face with the acknowledged fact that preventive medicine has done a great work. So far as this and generations to come are concerned the future in the development of health preservation rests with preventive medicine. I would say the state is faced with its greatest problem, and to-day our chief concern must be to multiply activities in this line of endeavour.

In the provinces and municipalities year after year and decade after decade there has been a constant development of the prevention of disease by medical means. As we have made progress in medical science so have the municipalities, the provinces and the federal authorities advanced in the development of preventive medicine. I realize that to give curative treatment is the human feeling in everyone's breast, and I for one am prepared to say that so far as possible Canada should extend services to those who are disabled and who need medical assistance.

The resolution before us is in general terms; it simply asks that the federal government adopt a definite health policy which could be carried into operation with the help of the provincial legislatures. As it is worded the motion brings up for consideration the relationship which should exist between the federal Department of Health and the departments in the provinces. Last night the minister made a clear explanation as to what has been done and what measures have been taken heretofore. It is difficult to place in words the possibilities for cooperation, coordination and correlating of the activities of the provinces into a nation-wide policy. To do the job thoroughly is not in the opinion of those who are well informed on the subject a spectacular undertaking. It is a gradual, steady process, and is not one which can be bought with money. Such a development is possible only through the unselfish, harmonious and uniform undertaking and activity of those intimately associated with the problem.

For instance, any nation-wide health policy which would not recognize the medical man in his relation to the home as the key of the whole situation would be a failure before it was well started. There must be an activity which will coordinate the efforts of the medical man acting for the family with the efforts of the local or municipal hospitals, the larger urban hospitals and hospitals connected with the universities, the various departments of health, and the medical teaching of the universities.

Let us consider cancer as an illustration. The present hope in connection with this disease does not rest so much in the desire to give active treatment as in the discovery of cancers which in their early stages may be successfully treated. That can be done only through the most active cooperation of the people and the physicians living in the outlying districts as well as of those who live in the thickly populated urban centres. A national policy which would do something of a definite and tangible nature in regard to the disease of cancer would be one that would bring together all the available information on the subject. If we are to progress beyond the point we have now reached in regard to cancer in Canada it can be done only by a united effort, by bringing together every bit of available information that has been obtained through research and that may be used in attacking the disease.

The same is true of heart disease. One of the members speaking yesterday, I think it was the minister himself, mentioned that problem. Heart disease is increasing by leaps

and bounds. Heart disease is a very general term, of course, but I think I am perfectly safe in saying that the reason for this rapid increase is that heart disease is not properly understood. We have no national machinery that will enable us to make use of the information which is in the possession of the medical men of our country both in the outlying districts as well as in the more populated centres, and progress in the prevention and treatment of a disease of that nature can be made only when all the available information is brought together and coordinated in order that the disease as a whole may be attacked with the full resources of medical science by those in charge of the health activities of our country.

In the few moments left to me before six o'clock I should like to say a word or two in regard to health insurance. Some of the provinces, at least British Columbia and Alberta, have already made a careful investigation of this problem of health insurance. A competent committee of the Canadian Medical Association, to which the minister referred last night, also investigated the possibilities of the application of health insurance in the provinces. Frequently we see the picture painted that legislation adopting health insurance means that immediately the most up to date and widely recognized medical services will be extended on an equal basis to all the people. That, Mr. Speaker, is the ideal, an ideal which I hope some day will be attained. But there are difficulties to be faced and there is a long road to travel before we attain that ideal.

There are one or two principles which need to be emphasized in any health insurance plan, whether federal, provincial, or of any other kind. The first is this, that the patient or the family must have the choice of their own physician. If that relationship of which I spoke earlier in my remarks is broken; if the family physician is taken away and replaced by an outsider without the consent of the patient, you remove one of the greatest factors in the successful treatment of people for disease. It is not my purpose to discuss that psychological factor, the psychical element which enters into it; but make no mistake about it, that principle must be set down as fundamental to the success of any health insurance scheme, or indeed of any scheme which undertakes to extend medical or health services to the public.

On motion of Mr. Bennett the house adjourned at 5.59 p.m.

[Mr. Stanley.]

Monday, January 28, 1935

The house met at three o'clock.

CORRECTION—MR. POULIOT

Mr. JEAN-FRANCOIS POULIOT (Témiscouata) (Translation): Mr. Speaker, at the opening of this sitting, I wish to correct the text of Question No. 38. The subject mentioned therein deals with the U.S.S.R., in French the "U.R.S.S., Union des Républiques Soviétiques Socialistes," such as Russia is now called.

In the seventh number of the Votes and Proceedings of the House of Commons, (French version), U.R.R.S. appears four times instead of U.R.S.S. It is almost as if you said "Cadana" instead of "Canada." There are four errors, two Rs, instead of two Ss, each time.

In the French version of the Routine Proceedings and Orders of the Day, under No. 8, that same question No. 38 refers, the first time, to the U.R.S.S.—which is correct—and three other times to the U.R.R.S.: three additional errors, making a total of seven errors in the French version of the Votes and Proceedings and the Routine Proceedings and Orders of the Day for the same question. I have here the original text which I compared with these two officials documents that contain seven errors.

Speaking to a question of privilege, I have before me the votes and proceedings of the House of Commons, No. 7 of January 25. I refer to question No. 38 on the orders of the day. The Union of Soviet Socialist Republics is referred to as "U.R.S.S.", but the correct designation in English is "U.S.S.R." and this is the designation we find in the Monthly Summary of the League of Nations. There are six mistakes in that question as it appears in issue No. 7 of the votes and proceedings. "U.R.S.S." is mentioned four times. This is the correct designation in French but it is the wrong one in English. Further, Mr. Maxim Litvinoff is referred to as "peoples Commissary in Foreign Affairs of the U.R.S.S." The word "peoples" should have a capital P and an apostrophe, "People's" and he is not Commissary in Foreign Affairs but Commissary for Foreign Affairs of the U.S.S.R. I take this designation from the Monthly Summary of the League of Nations, issue of September, 1934.

I have just mentioned in French that there were nine mistakes in that question in French; there are six more in the votes and proceedings, making a total of fifteen mistakes. But

there are more mistakes than that because in the Routine Proceedings and Orders of the Day the same question contains the same mistakes. This is most ridiculous because the French designation of what was formerly Russia is wrong in the French text and the French designation of it has been used in the English text so that it is wrong again. May I draw attention to the fact that in that question there are twenty-one mistakes. I shall not stress this any more because the translator who was responsible has been discharged. But I make one suggestion and it is this: that every piece of translation should be initialed in order that every member might know who is responsible for the mutilation of his text whenever such occurs.

And now, sir, may I have the great pleasure of welcoming to this house our Quebec leader, Hon. Mr. Lapointe.

QUESTIONS

(Questions answered orally are indicated by an asterisk).

ROYAL CANADIAN MOUNTED POLICE

Mr. GIROUARD:

1. Were any appointments made to the Royal Canadian Mounted Police in the province of Quebec, during the years 1933 and 1934?

2. If so, what are the names of those appointed during each of the said years?

Mr. GUTHRIE:

LAND FORCE (1933)

Name	From	Date of Engagement
Bordeleau, W. R.	Hull, Que.	10- 2-33
Masson, J.	Montreal	23- 2-33
Perlson, E. H.	Pointe Claire	2- 3-33
Alleyn, A. H. R.	Quebec	1- 4-33
Glass, G. F. J.	Montreal	3- 7-33
Bell, H. G. S.	Montreal	7- 7-33
Fillion, A.	St. Henri	7- 7-33
Duranleau, F.	Montreal	11- 7-33
Brakefield,-Moore, E.	Sherbrooke	8- 8-33
Couillard, J. A.	Rimouski	22- 9-33
Vezina, J. G. L.	Murray Bay	28- 9-33
Dube, V.	Riviere du Loup	28-10-33
Boisvert, L. E.	Sherbrooke	2-11-33
Buntine, H. A.	Montreal	2-11-33
Lebel, E. P.	Riviere du Loup	25-11-33
Lindsay, E. I. C.	Sherbrooke	25-11-33
McCarthy, E. E.	Montreal	30-11-33

MARINE SECTION (1933)

Galliard, G. W.	Gaspe	20- 1-33
Lepage, R.	St. Ulric	2- 4-33
Lavoie, C. B.	Rimouski	2- 4-33
Canuel, A.	Rimouski	2- 4-33
Bourgault, A.	St. Jean Port Joli	4- 4-33
Mott, C. A.	Montreal	13- 7-33

SPECIAL CONSTABLE (1933)

Cote, G.	Quebec	2- 4-33

LAND FORCE (1934)

Charron, J. T. A.	Gatineau Pte	25- 5-34
Bourgault, J. J. P.	Lotbiniere	2- 6-34
Ross, D. C.	Montreal	2- 6-34
Fournier, J. V.	St. Claire	14- 6-34
Aubut, R.	Riviere Bleue	19- 6-34
Lavoie, C. J. M.	Matane	19- 6-34
Morel, L. P. M.	Quebec	12- 6-34
Elliott, T. G.	Deschenes	1- 7-34
O'Leary, C. J.	Aylmer	1- 7-34
Sanche, J. P.	Hull	1- 8-34
Belzile, J. R. G.	St. Fabien	16-11-34
Jolly, H.	Valcartier	16-11-34
Cardinal, J. H. S.	Montreal	17-11-34
Van Elslande, A. J.	Montreal	17-11-34
Stevenson, J. A.	Danville	17-11-34
Moore, J. S.	Sherbrooke	20-11-34
Desjardins, J. J. M. D.	Quebec	24-11-34
Larocque, J. F. M. A.	Montreal	6-12-34
Gilmore, J. R.	Rock Island	22-12-34

MARINE SECTION (1934)

Fontaine, J. L. P.	Valcourt	22- 1-34
Dion, R. H.	Montreal	6- 2-34
Deslaurier, J. H.	Quebec	12- 5-34
Bouffard, R. E.	Quebec	16- 5-34
Allard, A. P. J.	Carleton	17- 8-34
Rioux, J. C. B.	Riviere du Loup	21- 8-34

SPECIAL CONSTABLES (1934)

Name	From	Date of Engagement
Macham, J. C. M.	Montreal	1- 4-34
Fortin, J. H.	Quebec	2- 4-34
Elio, V.	Montreal	1- 5-34
Hanna, J. E. M.	Montreal	21- 8-34

CIVIL STAFF AND EMPLOYED CIVILIANS (1933)

Stenographer	Legare, R.	18- 1-33
Stenographer	Duplain, P. E.	28- 4-33
Stenographer	Miss M. J. Paquette	12-10-33
Stoker	Pollard, W. H.	1- 8-33
Stenographer	Miss M. F. Valois	21-11-33

CIVIL STAFF AND EMPLOYED CIVILIANS (1934)

Cook	Carmichael, G. J.	1- 1-34
Stenographer	Mrs. W. Munro	20- 8-34
Janitor	Boisvert, M.	15-12-34

RECAPITULATION

1933		
Land Force	17	
Marine Section	6	
Special Constable	1	
Civil Staff and Enployed Civilians	5	
		29
1934		
Land Force	19	
Marine Section	6	
Special Constable	4	
Civil Staff and Employed Civilians	3	
		32
Total		61

*CANADA SHIPPING ACT

Mr. BOULANGER:

Has the Canada Shipping Act of 1934, chapter 44, been put into force?

Mr. DURANLEAU: I think an oral answer to this question will better serve the purpose.

As the house knows, the Canada Shipping Act, 1934, covers international, inter-empire and domestic matters. As to the domestic matters, such as part V, sick mariners and marine hospitals; part VI, pilotage; part IX, lighthouses, buoys and beacons on Sable island; part X, public harbours and harbour masters; part XI, port wardens, and so forth; it can be proclaimed at any time, and the question of doing so is now under consideration.

Mr. MACKENZIE (Vancouver): Why all the hurry last year?

Mr. DURANLEAU: As to international and inter-empire matters, as this was the first enactment dealing with merchant shipping to be undertaken by any dominion since the passing of the statute of Westminster, it will be utilized as a guide by other dominions when legislating in regard to merchant shipping, so that the desired measure of uniformity recommended by the conference on the operation of dominion legislation and Merchant Shipping Legislation of 1929, and the terms of the British commonwealth merchant shipping agreement of 1931 may be secured. The act I understand is now being examined from this point of view. No other dominions have yet enacted similar legislation. I may also point out that the conclusions of the international conference regarding safety of life at sea and load lines, which formed a large part of the act of 1934, have already been given effect to by this parliament, in August 1931, by chapter 49 of that year, and are in operation now.

I think this statement will serve as an answer to the query of the hon. member for New Westminster on January 21.

[Mr. Guthrie.]

Mr. BROWN: Would the minister at the same time answer as to that part of the act dealing with navigation on the great lakes, and the coastal laws?

Mr. DURANLEAU: As I stated, the subject is now under consideration, as to all parts of the act that concern domestic matters.

Mr. DUFF: In other words, in the doldrums. It has been on the statute books two years.

ST. JUSTE DU LAC, QUE.—LOG AND LUMBER PURCHASES

Mr. POULIOT:

1. Did anyone saw logs for the Department of Public Works at St. Juste du Lac in 1934?
2. If so, what quantity of logs was sawn, what amount was paid for same, and to whom?

Mr. STEWART (Leeds):

1. Yes.
2. (a) 2,000 feet B.M.
   (b) $4.00 per M feet.
   (c) Paul Begin.

Mr. POULIOT:

1. Did the government purchase lumber for work: (a) at St. Juste du Lac, and (b) at Notre-Dame du Lac in 1934?
2. If so, from whom at each place?
3. Who was the foreman at each place?

Mr. STEWART (Leeds):

1. (a) and (b)—Yes.
2. (a) Paul Begin
   Joseph T. Levesque
   Hermel Michaud
   (b) Philias Roy
3. (a) Joseph Dubé, village wharf
   Phillipe Nadeau, wharf Route Centrale
   (b) Johnny Ouellet.

NOTRE DAME DU LAC, QUE.—LUMBER PURCHASES

Mr. POULIOT:

What price was paid by the Department of Public Works for lumber: (a) at Notre-Dame du Lac, and (b) at St. Juste du Lac in 1934?

Mr. STEWART (Leeds):

(a) 3-inch plank—$16.00 per M.
(b) Square timber—$25.00 per M.
Logs—$9.00 per M.

BANK OF CANADA—TRANSFER OF GOLD FROM CHARTERED BANKS

Mr. MACKENZIE (Vancouver):

1. Has the gold formerly in possession of the chartered banks been transferred to the Bank of Canada?
2. If so, how much has been transferred?
3. At what valuation?
4. How much gold, if any, has been left with the chartered banks for foreign exchange purposes?

Mr. RHODES:

1. No. Transfer does not take place until the Bank of Canada is authorized to commence business.

2, 3 & 4. Answered by No. 1.

PENSION RATES

Mr. MACKENZIE (Vancouver):

1. Has the Minister of Pensions received representations from former members of the Inland Water Transport Royal Engineers with regard to pension rates?
2. If so, has the government decided what action should be taken on such representations?

Mr. SUTHERLAND:

1. Yes.
2. No.

BERTHIERVILLE, QUE. POST OFFICE

Mr. POULIOT:

1. Who is the owner of the premises now occupied by the post office in Berthierville, Quebec?
2. What is the name and address of the person from whom the government leased such premises?
3. What rent is paid for same?
4. Who recommended the leasing of said premises and on what date?

Mr. STEWART (Leeds):

1. G. A. Daviault.
2. G. A. Daviault, Berthierville.
3. $70 per month.
4. (a) Clerk of Works, Montreal.
   (b) August 18, 1934.

Mr. POULIOT:

1. Has the old post office at Berthierville been demolished?
2. If so, on what date and upon whose recommendation?
3. Have plans been prepared by the Department of Public Works for a new post office?
4. If so, what are the names and addresses of the architects and what amount was paid to each?
5. Has the cost of the new post office been fixed?
6. If so, what will be the amount?
7. Has an amount been voted for this purpose?
8. If so, on what date and for what amount?
9. Has a contract been awarded for this work?
10. If so, to whom and for what amount?

Mr. SAUVE:

1. Yes.
2. (a) On September 21, 1934, the tender of J. H. Aube of Berthierville amounting to $175.00 was accepted for the demolition of the building.

(b) The demolition was necessary in order to erect the proposed new building.

3. Plans and specifications have been prepared by Mr. Alcide Chausse, architect of Montreal, for the Department of Public Works.

4. (a) Answered by No. 3.
   (b) Nothing paid to date.

5. The cost will be determined by the amount of the lowest tender, but the contract has not yet been awarded.

6. Answered by No. 5.

7 & 8. Item No. 8 for $48,500 included in Schedule "A" of the Public Works Construction Act, 1934.

9 & 10. Answered by No. 5.

MONTREAL POST OFFICE—PURCHASES OF

Mr. POULIOT:

1. Since the month of August, 1930, has the Postmaster General bought any letter sorting machines for the general post office in Montreal?
2. If so, what price was paid for each machine?
3. Since their purchase, have these machines been regularly used on the work for which they were purchased?
4. If not, for what were they used?

Mr. SAUVE:

1. No. Purchase for experimental purposes was made by Public Works Department on the recommendation of the Post Office Department prepared by the previous administration.

2. $3,302.47, by public tender.

3 & 4. Answered by No. 1.

IMMIGRATION—1934

Mr. MACKENZIE (Vancouver):

1. How many were admitted into Canada by the Department of Immigration during the calendar year 1934?
2. From which countries did such immigrants come?
3. To which provinces of Canada in approximate numbers did such immigrants go?
4. How many were deported from Canada in the calendar year 1934?
5. To which countries were such, in approximate numbers, deported?

Mr. GORDON:

1. 12,476.
2. Statement attached.
3. Statement attached.
4. 1,545.
5. Statement attached.

Statement of Immigration to Canada, showing Racial Origin during the Calendar Year 1934

Albanian	4
Arabian	1
Belgian	62
British—	
English	1,362
Irish	298
Scotch	450
Welsh	56
Bulgarian	5
Chinese	1
Croatian	149
Czech	68
Dutch	49
East Indian	33
Esthonian	2
Finnish	63
French	79
German	304
Greek	39
Hebrew	577
Italian	320
Japanese	125
Jugo-Slav	102
Lettish	1
Lithuanian	43
Magyar	427
Negro	9
Polish	392
Portuguese	3
Roumanian	40
Russian	47
Ruthenian	563
Scandinavian—	
Danish	23
Norwegian	34
Swedish	15
Serbian	35
Slovak	588
Spanish	8
Swiss	15
Syrian	13
Total, via ocean ports	6,405
From the United States	6,071
Grand total	12,476

Statement of Immigration to Canada, showing Province of Destination, for the Calendar Year 1934

Nova Scotia	652
New Brunswick	323
Prince Edward Island	52
Quebec	2,456
Ontario	5,582
Manitoba	390
Saskatchewan	519
Alberta	1,098
British Columbia	1,394
Yukon Territory	8
Northwest Territories	2
Total	12,476

Statement of Deportations from Canada, showing Countries to which Deported, for the Calendar Year 1934

Austria	2
Belgium	3
British—	
England	316
Ireland, Northern	62
Ireland, Free State	9
Scotland	201
Wales	51
Australia	10
Barbados	1
Bermuda	1
British Guiana	1
British West Indies	3
St. Kitts (British West Indies)	3
Trinidad (British West Indies)	1
India	1
Lesser British Isles	2
Newfoundland	29
South Africa	4
Bulgaria	5
China	61
Czecho-Slovakia	43
Danzig	1
Esthonia	3
Finland	42
France	6
Germany	108
Greece	8
Guiana (Dutch)	1
Holland	5
Hungary	32
Italy	8
Japan	19
Jugo-Slavia	33
Latvia	1
Lithuania	7
Mexico	1
Poland	117
Roumania	64
Russia	2
Scandinavian—	
Denmark	25
Norway	24
Sweden	14
Spain	2
Switzerland	4
Turkey	1
West Indies (Not British)	1
Ocean port totals	1,338
U.S.A. citizens	207
Totals, less accompanying	1,545
Accompanying deported persons	156
Grand totals, including accompanying	1,701

*BRITISH COLUMBIA—PUBLIC WORKS EXPENDITURES

Mr. MACKENZIE (Vancouver):

1. How much has been expended of the special appropriation of $40,000,000 for public works, voted in 1934?

2. How much has been expended to date in the province of British Columbia?

3. At what points and on what projects in British Columbia have such expenditures, if any, been made?

4. Is the government prepared to announce when other public works announced in 1934 will be proceeded with in British Columbia?

Mr. STEWART (Leeds): No doubt my hon. friend has observed that the Minister of Finance (Mr. Rhodes) has just laid on the table a statement covering all expenditures under the Public Works Construction Act. I assume it contains the information for which my hon. friend asks, and I suggest that this

question be dropped. If there is any other information required we shall be glad to furnish it.

Mr. MACKENZIE (Vancouver): I am very glad my question brought so quick a response.

Mr. SPEAKER: Question dropped.

CANADIAN SILVER DOLLARS

Mr. REID:

1. What is the total amount of the new silver Canadian dollars authorized to be issued from the mint?

2. What will be the silver content of the new silver dollar to be issued on May 6?

3. From what source or sources is the silver to be used in the new silver dollars being obtained?

Mr. RHODES:

1. No amount yet authorized.

2. As set by the Currency Act—360 grains, 800 fine.

3. Silver bullion on hand or to be acquired from time to time.

*ADMIRALTY ACT ENFORCEMENT

Mr. BOULANGER:

What are the reasons why the Admiralty Act, 1934, chapter 31 of the statutes of Canada of 1934, has not yet been put into force?

Mr. GUTHRIE: I object to the form of this question; it does not make inquiry in regard to any fact. It is the kind of question that was ruled out of order a day or two ago.

However, to shorten the matter I furnish a reply:

To give reasonable time to enable the public to become familiar with its provisions.

FARM LOAN ACT APPLICATIONS

Mr. MICHAUD:

How many applications for loans, under the Farm Loan Act, were made by farmers in the province of New Brunswick during each of the years 1929, 1930, 1931, 1932, 1933 and 1934?

How many of such applications were granted during each of said years?

What was the total amount of loans asked for during each of the years 1929, 1930, 1931, 1932, 1933 and 1934, in New Brunswick?

What was the total amount of loans made in New Brunswick during the years 1929, 1930, 1931, 1932, 1933, and 1934?

Mr. RHODES:

New Brunswick

	Applications Received	Amount of Loans Applied for	Applications Approved for Loans	Amount of Loans Approved
Fiscal year ended March 31, 1930.	563	$ 963,304	217	$ 342,750
" " 31, 1931.	197	367,290	68	102,600
" " 31, 1932.	350	626,765	87	123,200
" " 31, 1933.	177	278,206	53	73,500
" " 31, 1934.	105	128,900	20	24,700
	1,392	$ 2,364,465	445	$ 666,750

CANADIAN BANK LOANS

Mr. COOTE:

1. What was the amount of current loans in Canada of Canadian chartered banks on December 31st in each year, 1926 to 1934, inclusive?

2. What was the total amount of bonds, stock or other securities held by the banks on December 31st in each of the above years?

Mr. RHODES:

1. December 31:

1926	$ 970,053,595
1927	1,082,732,324
1928	1,230,985,708
1929	1,402,787,330
1930	1,149,175,118
1931	1,082,097,360
1932	964,023,809
1933	898,159,673
1934	838,796,579

2. December 31:

1926	$483,619,008
1927	529,444,178
1928	524,560,843
1929	448,409,736
1930	604,108,883
1931	694,032,678
1932	778,252,015
1933	861,006,151
1934	966,547,701

DOMINION NOTES OUTSTANDING

Mr. COOTE:

1. What was the amount of dominion notes outstanding on October 31, 1934?

2. What portion of this amount was in denominations of $500 or over, and what part in denominations under $500?

Mr. RHODES:

1. $210,483,160.69.

2. Denominations of $500 or over $170,442,000.00.

Denominations under $500, $40,041,160.69.

IMMIGRATION—1934

Mr. BRADETTE:

1. What was the total number of immigrants that came into Canada from every country of the world during the year 1934?

2. In the same year, how many immigrants came from Great Britain, exclusive of the Irish Free State?

3. How many came from the Irish Free State?

4. How many came from the countries of Europe, stating the country of origin and the number from each country?

5. How many came from the United States of America?

Mr. GORDON:

1. 12,476. Statement attached.

2. 2,068 (exclusive of those born in the Irish Free State).

3. 98 (born in Irish Free State).

4. Statement attached.

5. 6,071.

Statement of immigration to Canada, showing racial origin during the calendar year 1934

Albanian	4
Arabian	1
Belgian	62
British—	
English	1,362
Irish	298
Scotch	450
Welsh	56
Bulgarian	5
Chinese	1
Croatian	149
Czech	68
Dutch	49
East Indian	33
Esthonian	2
Finnish	63
French	79
German	304
Greek	39
Hebrew	577
Italian	320
Japanese	125
Jugo-Slav	102
Lettish	1
Lithuanian	43
Magyar	427
Negro	9
Polish	392
Portuguese	3
Roumanian	40
Russian	47
Ruthenian	563
Scandinavian—	
Danish	23
Norwegian	34
Swedish	15
Serbian	35
Slovak	588
Spanish	8
Swiss	15
Syrian	13
Total, via ocean ports	6,405
From the United States	6,071
Grand Total	12,476

Statement of continental European immigration to Canada, during the calendar year 1934

Albanian	4
Belgian	62
Bulgarian	5
Croatian	149
Czech	68
Dutch	49
Esthonian	2
Finnish	63
French	79
German	304
Greek	39
Hebrew	577
Italian	320
Jugo-Slav	102
Lettish	1
Lithuanian	43
Magyar	427
Polish	392
Portuguese	3
Roumanian	40
Russian	47
Ruthenian	563
Scandinavian—	
Danish	23
Norwegian	34
Swedish	15
Serbian	35
Slovak	588
Spanish	8
Swiss	15
Total	4,057

DEPORTATIONS FROM CANADA

Mr. BRADETTE:

1. How many persons were deported from Canada during the year 1934?

2. To what countries were they deported and what number were deported to each country?

Mr. GORDON:

1. 1,545.

2. Statement attached.

Statement of deportations from Canada, showing countries to which deported, for the calendar year 1934

Austria	2
Belgium	3
British—	
England	316
Ireland, Northern	62
Ireland, Free State	9
Scotland	201
Wales	51
Australia	10
Barbados	1
Bermuda	1
British Guiana	1
British West Indies	3

Statement of deportations from Canada, showing countries to which deported, for the calendar year 1934—*Concluded*

British—*Concluded*	
St. Kitts (British West Indies)	3
Trinidad (British West Indies)	1
India	1
Lesser British Isles	2
Newfoundland	29
South Africa	4
Bulgaria	5
China	61
Czecho-Slovakia	43
Danzig	1
Esthonia	3
Finland	42
France	6
Germany	108
Greece	8
Guiana (Dutch)	1
Holland	5
Hungary	32
Italy	8
Japan	19
Jugo-Slavia	33
Latvia	1
Lithuania	7
Mexico	1
Poland	117
Roumania	64
Russia	2
Scandinavian—	
Denmark	25
Norway	24
Sweden	14
Spain	2
Switzerland	4
Turkey	1
West Indies (not British)	1
Ocean port totals	1,338
U.S.A. citizens	207
Totals, less accompanying	1,545
Accompanying deported persons	156
Grand totals—	
Including accompanying	1,701

QUESTIONS PASSED AS ORDERS FOR RETURNS

NEW WESTMINSTER HARBOUR

Mr. REID:

1. What was the total amount of money collected by the harbour commissioners of New Westminster, showing the various amounts collected, during 1934?

2. How many pilots were engaged by the harbour commissioners of New Westminster during the year 1934?

3. How much money did each of them receive during the above-mentioned year?

QUEBEC UNEMPLOYMENT CAMP EXPENDITURES

Mr. POWER:

1. What was the total amount expended during the calendar year 1934 in connection with: (a) Valcartier unemployment camp; (b) Quebec citadel unemployment camp?

2. What was the nature of the work or works carried on by the unemployed at: (a) Valcartier unemployment camp; (b) Quebec citadel unemployment camp?

3. What were the amounts expended on each such work?

Mr. POWER:

1. What were the names of all persons, firms or corporations who furnished supplies or services to the Valcartier unemployment camp from December 1, 1933, to December 1, 1934?

2. What were the amounts paid to each such person, firm or corporation?

3. Were tenders called for in any case?

4. If so, who were the tenderers and to whom was the contract awarded?

Mr. POWER:

1. What were the names of all persons, firms or corporations who furnished supplies or services to the Quebec citadel unemployment camp from December 1, 1933, to December 1, 1934?

2. What were the amounts paid to each such person, firm or corporation?

3. Were tenders called for in any case?

4. If so, who were the tenderers and to whom was the contract awarded?

DISCONTINUED PENSIONS OF EX-SERVICEMEN

Mr. MULOCK:

1. Have any ex-service men had their pensions discontinued in any of the following years, namely: (a) 1931; (b) 1932; (c) 1933; (d) 1934?

2. If so, how many pensions were discontinued in each of the said years?

3. What are the several reasons for the discontinuance of their pensions?

4. Have any ex-service men had their pensions reduced in any of the following years, namely: (a) 1931; (b) 1932; (c) 1933; (d) 1934?

5. If so, how many pensions were reduced in each of the said years?

6. What are the several reasons for the reduction of their pensions?

7. Have any ex-service men had their allowances under the War Veterans Allowance Act discontinued in the following years, namely: (a) 1931; (b) 1932; (c) 1933; (d) 1934?

8. If so, how many allowances have been discontinued in each of the said years?

9. What were the several reasons for the discontinuance of their allowances?

10. Have any ex-service men had their allowances under the War Veterans Allowances Act reduced in any of the following years, namely: (a) 1931; (b) 1932; (c) 1933; (d) 1934?

11. If so, how many have been reduced in each of the said years?

12. What were the several reasons for the reduction in their allowances?

ROCKPORT, ONT.—WHARF AND CUSTOMS HOUSE

Mr. CAMPBELL:

1. What was the cost of the site on which the wharf was constructed in the village of Rockport, on the St. Lawrence river, in Leeds constituency?

2. What was the cost of the construction of the wharf: (a) the cost of materials; (b) labour costs?

3. What was the cost of the customs house erected on the wharf: (a) the cost of materials; (b) labour costs?

4. On what date was the work commenced, and the date of completion?
5. What use has been made of the wharf and customs house up to the present time?

PUBLIC DEBT—SUGAR TAX

Mr. FONTAINE:

1. What is the exact amount of Canada's debt now?
2. How much did the tax on sugar yield: (a) for the year 1933; (b) for the year 1934?

RADIO BROADCAST OF OPENING

Hon. ALFRED DURANLEAU (Minister of Marine): On January 22, the hon. member for New Westminster (Mr. Reid) asked the Minister of Marine if the statement appearing in the Vancouver Province of January 17, that millions of listeners in Great Britain had been deprived of hearing the broadcast of the opening of the Canadian parliament, was correct. At that time I told my hon. friend that within a few days I would lay before the house the answer of the radio commission. The answer of the commission is that no request was made by the British Broadcasting Corporation for the broadcast of the opening of the Canadian parliament. They also add that it is well known that even the opening of parliament in London is never broadcast.

FOREIGN MARKETS FOR POTATOES

Hon. CHARLES MARCIL (Bonaventure): Before we leave questions I should like to ask the Minister of Agriculture (Mr. Weir) if he will bring down the names of the members of the committee appointed to find foreign markets for potatoes.

Hon. ROBERT WEIR (Minister of Agriculture): I have sent the information to the hon. member for Bonaventure (Mr. Marcil). The other day I was not certain as to what was required, whether it was the committee appointed to explore possible markets or the Quebec committee which took part in the first discussions.

Mr. MARCIL: I should like to have both, if possible, but I have not received them yet.

Mr. WEIR (Melfort): They should be in the mail to-day.

MOTIONS FOR PAPERS

NEWSPRINT INDUSTRY CONFERENCE

Mr. POULIOT:

For a copy of all correspondence, letters, telegrams and reports, dated from January 1, 1934, to date, in the possession of the government, regarding the newsprint industry conference.

SHIP SUBSIDIES, BRITISH COLUMBIA

Mr. REID:

For a copy of all correspondence between any person, firm or company and the Minister of Trade and Commerce, during the year 1934, relative to the matter of subsidies to ships operating from Pacific coast ports of British Columbia.

L. T. BLAIS, LIMITED

Mr. CASGRAIN:

For a copy of all letters, correspondence, telegrams and other documents, exchanged between Louis Telesphore Blais, Limited, or M. L. T. Blais, of Quebec, and Mr. M. W. A. Found, deputy minister, and Mr. M. F. M. Gibeault, superintendent of fisheries, Quebec, since the 1st of January, 1934, to date.

MAIL CONTRACT—ST. FRANCOIS

Mr. BOULANGER:

For a copy of the complete file relative to the last renewal of the contract in connection with the carrying of mail between the station and the town of St. Francois, county of Montmagny.

VANCOUVER HARBOUR COMMISSION—CHAIRMAN

Mr. MACKENZIE (Vancouver):

For a copy of all correspondence between any minister of the crown and any citizen of Canada, any corporation or organization, with respect to the recent retirement of Mr. Samuel McClay as chairman of the Vancouver Board of Harbour Commissioners, and with respect to the appointment in his stead of Reginald W. Brock of Vancouver, British Columbia.

MARKETING ACT ORDERS

Mr. MACKENZIE (Vancouver):

For a return of all orders issued under the Natural Products Marketing Act, 1934: (a) by any dominion board there may have been constituted; (b) by any provincial board constituted by any of the provinces of the dominion by ancillary or concurrent legislation; (c) by any local board appointed in any province. Such orders to be specified as far as possible according to the various provinces.

CARLETON, QUE., WHARF

Mr. MARCIL:

For a copy of all petitions, letters, reports of engineers and other documents, regarding the proposed expenditure of $30,000 on the public wharf at Carleton, county of Bonaventure.

BLACK CAPE, QUE., WHARF

Mr. MARCIL:

For a copy of all petitions, letters, reports of engineers and other documents, with respect to the erection of a wharf at Black Cape (Howitson's Point), county of Bonaventure.

BONAVENTURE COUNTY—WHARVES

Mr. MARCIL:

For a copy of all petitions, letters, reports of engineers and other documents, regarding contemplated work to be done on the wharves at Bonaventure, Port Daniel East, New Carlisle and Cross Point, county of Bonaventure.

MOUNT LOUIS, QUE., WHARF

Mr. BRASSET:

For a copy of the paylists in connection with repairs to the wharf at Mount Louis during the year 1934.

EXCEL OIL COMPANY

Mr. LACROIX:

For a copy of all correspondence exchanged between the government and the Excel Oil Company, during the years 1931, 1932, 1933, and 1934.

JAMES B. BARRY AND COMPANY

Mr. LACROIX:

For a copy of all correspondence exchanged between the government and James B. Barry & Company, of Oil City, U.S.A., during the years 1931, 1932, 1933, and 1934.

IROQUOIS, N.B., POSTMASTER

Mr. MICHAUD:

For a copy of all correspondence, letters, telegrams, reports and other documents from June 1, 1932, relating to the dismissal, resignation or change of the postmaster of Iroquois, Madawaska county, New Brunswick.

LA MALABAIE, CHARLEVOIX, QUE., LIGHTHOUSE KEEPER

Mr. MACKENZIE (Vancouver) for Mr. CASGRAIN):

For a copy of all correspondence, letters, telegrams, and other documents, exchanged between the Department of Marine, and all other persons, in connection with the dismissal of Mr. Napoléon Bhérer, lighthouse keeper, at La Malbaie in the county of Charlevoix, and the nomination of his successor, since the 1st of January, 1934, to date.

BANK OF CANADA APPOINTMENTS

Hon. IAN MACKENZIE (Vancouver Centre) moved:

For a copy of all applications for appointments in the Bank of Canada, and a return showing all appointments made, with names of appointees, salaries paid and previous occupations in each case.

Hon. E. N. RHODES (Minister of Finance): Before the question is put I am going to ask my hon. friend from Vancouver Centre (Mr. Mackenzie) if he will be good enough to refrain from moving this motion to-day until I have an opportunity of conferring with respect to it.

Mr. MACKENZIE (Vancouver): With pleasure.

Motion stands.

PARCEL POST, CANADA—U.S.S.R.

Mr. JEAN FRANCOIS POULIOT (Témiscouata) moved:

For a copy of the postal agreement now in force between Canada and the U.R.S.S., regarding the shipping of goods by parcel post.

He said: On a point of order, Mr. Speaker, it should be U.S.S.R.

Motion as amended agreed to.

BRITISH NORTH AMERICA ACT

PROPOSAL FOR APPOINTMENT OF SPECIAL COMMITTEE TO CONSIDER AMENDMENTS

Mr. J. S. WOODSWORTH (Winnipeg North Centre) moved:

That, in the opinion of this house, a special committee should be set up to study and report on the best method by which the British North America Act may be amended so that while safeguarding the existing rights of racial and religious minorities and legitimate provincial claims to autonomy, the dominion government may be given adequate power to deal effectively with urgent economic problems which are essentially national in scope.

He said: Mr. Speaker, on March 20, 1924, I introduced a motion urging amendments to the British North America Act. Again on May 11, 1931, I introduced a somewhat similar motion. Perhaps at this time it is hardly necessary for me to cover the ground covered on those previous occasions. Possibly the discussion which took place in 1931 might be summed up by two quotations, one from the speech by the Minister of Justice (Mr. Guthrie) and the other from the speech of the hon. member for Quebec East (Mr. Lapointe).

At page 1477 of Hansard the Minister of Justice is reported as follows:

I think it would be well for this parliament if not at this session, at some subsequent session, to appoint a committee specially charged with the consideration of this question. We must prepare our case here before we call a conference, and it is a case that will require a great deal of preparation. . . . We must know in the first instance what we are prepared to agree on ourselves. Having reached that point I shall heartily favour the summoning of a conference of the provinces with the dominion authorities to see what plan can be worked out so that in the future this parliament may be able to make the necessary amendments to our constitution.

Hon. members will note that on that occasion the Minister of Justice definitely suggested the appointment of a special committee to deal with the question. I am now

following his lead and urging upon the house the appointment of such a committee. On the same day the hon. member for Quebec East made the following statement appearing at page 1479 of Hansard:

> Again I say that to insist on having the consent of all the provinces to every change would be asking almost an impossibility; to ask that either British Columbia in the west or Prince Edward Island in the east should be able to block a change with which it is essential for the federal power to go ahead within the limits of its jurisdiction on certain matters, I do not think would be right; but on essential matters, such matters, for instance, as the protection of minorities, of language, of schools, as they are inserted in the British North America Act, I believe it should not be possible to make a change without the consent of all.

Notwithstanding the practical acceptance by the government of my resolution nothing definite has been done in the past four years. It is true that about the end of August of last year the Prime Minister suggested calling a conference to deal especially with this question, but that conference was finally postponed indefinitely. Despite that fact there is now greater need than ever for some amendments to the British North America Act. There is no doubt that jurisdiction disputes involve a great deal of litigation. I shall not go into that matter in detail to-day but would refer the house to my speech delivered in 1931 in which I somewhat exhaustively outlined the jurisdiction disputes which were occurring.

Further, there is a certain amount of overlapping which inevitably involves inefficiency and waste. Now that economy is being stressed it would seem that one way in which we could well economize would be in seeing that there are no unnecessary overlapping of departments. Then, the financial arrangements between the dominion and the provinces are very unsatisfactory. The provinces are called upon to undertake many new services. At the time of the drawing up of the British North America Act it was not contemplated governments would be expected to deal with many matters now being forced upon them. At the present time many social services are given which were not even remotely dreamed of at the time of confederation, and this condition places a burden upon the provinces which they are not able to continue to bear.

Further, the taxing power of the provinces is strictly limited. Hon. members know that they cannot resort to indirect taxation, and we know also that the dominion government has entered the field of income tax. For these reasons it is extremely difficult for the provinces to meet the requirements of the new services being undertaken. I think, too, it is manifest that the wealth has been concentrated in the central provinces. I have sometimes heard representatives from Montreal or Toronto talk as if they were carrying the whole burden of the dominion. It may very well be that residents of the two central provinces, pay a large proportion of the income tax, but I would point out that the central provinces are able to draw to no very small extent upon the west. They have a mortgage, as it were, upon the west, and also to a large extent on the east. Take the banks, for example. The central offices of all the banks in Canada are located in Montreal or Toronto, and thus they can assist in paying taxes here whereas their branches out in either western Canada or eastern Canada cannot be levied upon in the same way. That same thing is true to a very large extent of a great many of our big industrial and commercial concerns. Without going into this matter at any length I would refer to some very excellent articles which appeared in the Canadian Forum of November and December last by N. MacL. Rogers.

Again I would point out that there is need for uniformity in connection with social legislation. With the program which is being introduced at the present time by the government I fancy it will be found necessary, if not to amend the British North America Act, at least to adopt other interpretations than hitherto have been invoked. But whether or not the program of the government can be put through without amending the British North America Act, there are a great many other matters which are very pressing at the present time and which would seem to be halted because of the existence of this antiquated constitution of ours. Anyone who has been present in the house during these past years must know that hardly a measure is ever brought forward looking to greater efficiency in carrying on the affairs of the dominion but what some member on this or the other side of the house will arise and flourish the British North America Act in our faces.

We need to have uniformity with regard to a great many of these social services, and here I would venture to call to my assistance no other than Premier Taschereau himself who, speaking in Montreal on December 17 last, in referring to a complaint that Quebec fruit was competing with British Columbia fruit in the British Columbia market, said:

> As a Canadian I think that the dominion from Cape Breton to British Columbia is my country.

I am glad to hear Mr. Taschereau uttering sentiments of that kind. I hope he will take the same position in regard to various types of social legislation. If we are to have anything like equality of opportunity in trade matters, surely we should have some equality in regard to the conditions under which goods are being produced. Without going into the details of the evidence before the price spreads committee I think it is manifest that if any one province is backward in its conditions of labour, that inevitably makes it very difficult for other provinces to institute reforms. It does seem to me that in recent years we have been permitting the provinces to claim rights that should never have been accorded them. When the British North America Act was drawn up the residual power, as we all know, was placed in the hands of the dominion government. I believe even under the clause dealing with the residual power the dominion government in the past could have done very much more than the former Liberal government or the Conservative government have done. In cases of emergency, the Relief Act, for instance, was brought into force, and although not as much was done for the unemployed as might have been done, there was certain relief given to the bankers and some big industrial concerns.

There is no reason whatever why the dominion government under the residual clause should not act in giving effect to treaties and conventions. Throughout the past years, without going into fine legal questions, I have again and again taken the ground that if the dominion government has the authority to sign a peace treaty, then it surely has the power to see that the provisions of that treaty are carried out, that the treaty is implemented by legislation. I am glad to note that some recent decisions of the privy council seem to give support to this view. Professor F. R. Scott, in speaking of the radio broadcasting case, says this:

> The privy council held that power to enforce these treaties fell within the dominion residuary clause. This may prove to be a judgment of great importance. It seems to leave the way open for dominion control of any aspect of the internal life of Canada, so long as the matter is covered by an international agreement to which Canada is a party ...
>
> If the dominion government decides to adhere to a trade convention agreed upon by the labour office, there is a strong ground, since the radio case, for supposing that her adherence would give parliament the same power to pass implementing legislation as the radio judgment says it possesses in regard to ordinary conventions.

That statement will be found at page eight of a pamphlet entitled Social Reconstruction, by Professor Scott.

I think, Mr. Speaker, that all sections of the house will agree that the British North America Act needs amending, and that in itself is a considerable advance on the contention that prevailed a few years ago. Further I think it is fairly generally conceded that the consent of the provinces is not necessary, at least from the legal standpoint. There was a time when we were told that we could not amend the British North America Act without the consent of all the provinces, that in fact confederation was something in the nature of a treaty and that it could not be changed without the consent of all parties. I think that theory has been absolutely discarded, and we need not continue to debate it. The Prime Minister, during the debate in this house on the Relief Act, on April 13, 1934, in answer to Mr. Hanbury's question whether any amendment could be made where there was not unanimity, said at page 2163:

> Two answers could be given to that question; one is the political answer and the other is the legal answer. The legal answer is that if this parliament—and that means both houses—adopts a resolution embodying a petition to the sovereign for the enactment of legislation by the parliament at Westminster amending the British North America Act, under the statute of Westminster such legislation would be enacted accordingly.

That is clear, very clear-cut indeed. Let me read the latter part of it again:

> The legal answer is that if this parliament —and that means both houses—adopts a resolution embodying a petition to the sovereign for the enactment of legislation by the parliament at Westminster amending the British North Amercia Act, under the statute of Westminster such legislation would be enacted accordingly.

Mr. GAGNON: Who said that?

Mr. WOODSWORTH: That was said by the Prime Minister, speaking in this house on April 13, 1934. The Prime Minister goes on:

> I referred to the political argument the other day. The constitution of Canada is a compromise, and the extent to which variations of that constitution should be effected, if they impinge upon the rights of the provinces that were the original partners to the confederation pact, is a matter that would require careful consideration.

The legal point is clear: It is a matter of expediency, the desire that there should be no injustice done to any one of the parties to confederation. I take it that the leader of the opposition comes very near to that position. Only the other day, on January 21,

1935, at page 67 he admitted that the British North America Act required to be amended in some particulars. He suggested that the first amendment that should be secured was the right of this country to amend its own constitution. He called attention to the fact that Canada was the only country in the British dominions that had not that right, and he said:

> I believe that the way to effect that change is by conference and by securing consent and agreement if at all possible. At all events that should be the first step.

He is not as definite as I should like him to be and as usual he surrounds his speech with a great many safeguarding clauses. But if I read that declaration correctly, it means that he concedes the legal right of parliament to go ahead, though for the sake of expediency a first step would be to secure if possible, as he says, the consent of the provinces.

In the past the procedure has not been altogether clear. The mode of procedure was one of the matters to have been discussed at the conference that was summoned by the Prime Minister. I would point out that the constitution was once amended by the British parliament on the strength of a simple request by the Canadian government without the proposal even coming before parliament. A great many people have the idea that the British North America Act is like the law of the Medes and Persians, that it can never be changed. But we forget the very large number of amendments that have already been made in the act. Once a request which was made by the dominion parliament carried the formal endorsation of eight out of the nine provinces and was opposed by one province. On the other occasions the British parliament acted on the joint request of the Canadian House of Commons and the Senate. The precedents therefore suggest that the British parliament will enact any legislation to amend the British North America Act on the recommendation of the Canadian parliament. That I think is the position we have arrived at. We need not fear opposition from the parliament at Westminster, and if we proceed in this parliament to petition the British government I have not the slightest doubt that that government will accede to the request.

Mr. MARCIL: Is the hon. member able to cite an amendment to the British North America Act, adopted at Westminster, which was objected to by any of the provinces of Canada?

Mr. WOODSWORTH: The one dealing with the British Columbia case. Apparently then an address by both houses is sufficient. But the question may arise: Supposing the Senate were not to agree? Supposing we should pass a resolution in this house and the Senate refused to acquiesce? That I admit would be a rather serious situation, but I cannot conceive that for any length of time the upper chamber would be able to thwart the will of the Canadian people as represented by the elected chamber. On this point I was very happy the other day to come across a statement by Mr. Bennett, now Prime Minister. In 1915 in the House of Commons, on the occasion of the Senate declining to agree to an address for an immediate change in representation in that chamber, the present Prime Minister denounced the Senate, as will be seen by reference to page 2338 of Hansard. He referred to the upper house as an "irresponsible body which thwarted the will of democracy as expressed by this House of Commons." I submit that if the Senate should continue to thwart the will of the house, then undoubtedly the Senate would have to be overridden.

My motion is in keeping with the principle laid down in the Quebec resolution of the fathers of confederation:

> That there be a general government charged with matters of common interest to the whole country and local governments for each of the provinces charged with control of local matters in their respective sections.

Now may I call attention to the terms of the resolution. The resolution is so clearly drawn and has such adequate safeguards, and moreover it is so eminently reasonable that I cannot see any reason why any section of the house should not accept it. I ask for a committee because it seems to me that it might very well be that it would help the government and perhaps promote the speedy passage of a measure of this kind if the public could be educated on the many complex questions that may arise. Here in the house we have a chance of discussing the matter, but we cannot very well call in experts who might give us some valuable advice. I have no fear of public discussion of matters of this kind. The more it is discussed the more clear it will be that some kind of amendment must come. I think I have stated the safeguards and I fancy that no one will quarrel with them:

> that while safeguarding the existing rights of racial and religious minorities and legitimate provincial claims to autonomy ...

None of us is asking that any of the minorities shall suffer in any emendation of the British North America Act. Personally I would very gladly have a sort of bill of rights

inserted in the very forefront of any constitution that might be drawn up, granting full religious and racial rights to minorities. I do not see where any of our friends from any one of the provinces can object to an emendation which would safeguard minorities in this way. But I would point out that we do need some means of dealing with very many of the practical problems that come before us. I would be among the very first in giving credit to the fathers of confederation for the great work they did in their day. The fact that we want to amend the instrument they drew up is no reflection on the work they did. I submit however that Canada has travelled a long distance in the past sixty-five years. Conditions are very different in this country from what they were sixty-five years ago. A whole series of social problems has arisen in that time. Canada has been linked together by its great railways, and it is intimately linked together by the radio. Companies have branches in every province and commerce flows back and forth. It is thus manifest that along many lines legislation to be effective must be dominion-wide in character. It is for this reason, in order to bring legislation up to the economic development of the time, that I would ask for an emendation of the British North America Act. If the fathers of confederation had ability enough to draw up an instrument which served their day and generation, it seems to me that we their grandchildren ought to have brains and common sense enough to amend it in such a way that it may serve the needs of the people to-day.

Mr. MARCIL: Before the hon. member resumes his seat, did he understand my question or do I take it that he is not answering it? Was any amendment to the British North America Act adopted at Westminster which was objected to by any of the provinces?

Mr. WOODSWORTH: There was one dealing with the British Columbia case.

Mr. MARCIL: What case was that?

Mr. LAPOINTE: They added three words which did not mean anything.

Mr. WOODSWORTH: There was that case anyway.

Hon. HUGH GUTHRIE (Minister of Justice): Mr. Speaker, the motion which has been placed in your hands by the hon. member for Winnipeg North Centre (Mr. Woodsworth) raises a subject which is not entirely new to this house. I grant at the outset that it is a very important subject and one quite worthy of discussion by this house or by a special committee, the appointment of which is the object sought in this motion.

The question of amendment of the Canadian constitution involves many considerations and some serious difficulties. I am aware that even in the days when the constitution was drafted, when the original conferences took place, there was a cleavage of opinion. There was a school of thought which advocated in this country a legislative union whereby all provinces should be brought together in one parliament. There was another school of thought which advocated a federal system such as was subsequently established. It can be very ably argued and was argued very forcefully to-day that perhaps a legislative union might have enabled this parliament to solve many of the difficulties with which we are beset from time to time, because under such a system this parliament would have had full power to legislate as it saw fit for all parts of Canada. But the other view, that of a federal system, was finally adopted and an agreement or treaty was executed by the representatives of the various parts of Canada who were assembled at conferences in 1864, 1865 and 1866 providing that a federal system should be adopted in Canada upon certain specific terms. That agreement or treaty was carried into the act of parliament which we know as the British North America Act passed by the parliament at Westminster.

The question arises: How can we amend or change our constitution if we desire so to do? It is a singular fact that in the British North America Act there is no power which will permit the parliament of Canada to amend it and it is most notable that in all subsequent dominion constitutions which have been granted by the parliament of Great Britain to dominions situated in conditions similar to those in which we live, a specific power of amendment has been incorporated in the various acts. The Canadian constitution was the first constitutional act which was adopted by the parliament at Westminster in regard to colonial government, and to a large extent it became the model of all other constitutions which were subsequently granted by the Imperial parliament. It is therefore the more notable that in all subsequent constitutions, namely in those of Australia, New Zealand, South Africa and the Irish Free State there has been included in the various constitutional acts an express power enabling these dominions to amend their own constitutions but with some limitations in regard to some of those enactments. I think it may be assumed from the fact that such a power is not included in the British North America Act that the omission did not arise through oversight

but by design. It was a matter that was definitely decided; the power to amend was omitted after consideration and as a matter of agreement. The chief reason for the omission of power of amendment was to be found no doubt in a realization of the fact that Canada was a country populated very largely by two distinct races and considerably divided upon religious questions. It was for the express purpose of protecting the rights of minorities that power to amend our constitution was not granted to the parliament of Canada when the British North America Act was passed.

The hon. member for Winnipeg North Centre in his interesting discussion of the subject has intimated that in his opinion the Canadian parliament should have power to amend the constitution subject to certain limitations as expressed in his resolution, and I am to a large extent in accord with the opinion which he has offered in that respect. He has pointed out that in one and perhaps in more than one instance the British parliament has passed amendments to the British North America Act upon the joint address of the House of Commons and the Senate and also in one instance simply upon the request of the government of Canada. I think it has always been admitted that in regard to mere matters of form and matters of procedure the parliament of Great Britain would in all cases pass an amendment to the British North America Act if requested so to do, upon the joint address of the Senate and the House of Commons. However, that is only a minor branch of the subject. Matters of form and matters of procedure are unimportant. In 1895 I think some doubt arose as to the power of this parliament to appoint a deputy speaker of the House of Commons. That matter was referred to the parliament of Great Britain and immediately an amendment was passed by the British parliament confirming the action taken by the parliament of Canada. That might be called merely a question of procedure, and I have no doubt that the parliament at Westminster would at all times respond in such matters to the request of the Senate and the House of Commons of Canada.

But where an amendment is sought which goes to the basis of the original treaty or agreement which was made at the time of confederation, or where the fundamental principles upon which we were originally brought together, are involved, I doubt very much whether the parliament at Westminster would entertain a request of that nature based solely upon an address from the Senate and House of Commons. I know it has been argued by some very able men that the parliament at Westminster would grant any request for amendment made by the Senate and House of Commons irrespective of the views of the provinces. They argue that all the provinces of Canada are represented in this parliament; that all provinces may speak and vote here and that if the House of Commons and the Senate decide that an address shall be presented, such action is binding upon all the provinces through their representatives in this parliament. Personally I do not take that view of the matter. The provinces of Canada constituted by the British North America Act, are in the nature of sovereign states so far as the affairs which have been committed to them by section 92 of the British North America Act are concerned. In regard to the subjects allotted to them they are supreme and their powers are just as plenary and complete as those of this parliament in dealing with matters which have been placed under federal control.

Section 92 of the act sets forth in the first lines that the following named subjects shall be exclusively within the control of the provincial legislatures. If we sought by amendment to alter the basis of confederation, by taking from section 92 any of the subjects given exclusively to the provinces, or by interfering with any subjects exclusively placed under the jurisdiction of the dominion government, we would at once change the original agreement. Would it be fair to assume that a province which has been clothed with exclusive authority in certain matters should now calmly submit to limitation of its powers at the instance of the Senate and House of Commons. Would a province agree to any alteration in regard to its exclusive jurisdiction? I take the view that the provinces should be and must be consulted in regard to any important change in our constitutional act which affects provincial interests. I agree that some constitutional changes are necessary, but I submit that the only way of bringing them about is by agreement between the parties to the original bargain. Of course this statement does not apply to what I discussed a few minutes ago, in regard to matters of form and procedure.

Mr. WOODSWORTH: May I interrupt? Do I understand that the statement of the minister means that the provinces must agree, or simply that they must be consulted?

Mr. GUTHRIE: I think that we would have to have agreement. I do not think the parliament at Westminster would disregard the views of the provinces merely at the request of the parliament of Canada. If the provinces refused to agree upon any fundamental ques-

tion which concerned their rights I doubt very much if the parliament of the United Kingdom would grant such amendment.

Mr. WOODSWORTH: That is if one province disagreed it would be impossible for this parliament to proceed?

Mr. GUTHRIE: I doubt if you could succeed in an application for amendment that would modify, alter or restrict section 92 under which specific legislative jurisdiction is given to the provinces, without consent of the provinces.

Mr. MACKENZIE (Vancouver): Unanimous consent.

Mr. MARCIL: May I ask the minister if he is familiar with the case mentioned in regard to British Columbia?

Mr. GUTHRIE: Yes, there was such a case, it related to subsidies. All the provinces agreed to the amendment save British Columbia; British Columbia insisted on some further amendment involving a sentence or a few words, which I believe was not very serious.

Mr. MACKENZIE (Vancouver): Three words.

Mr. GUTHRIE: In that case the act was passed with those two or three words added by way of amendment. I agree with the hon. member for Winnipeg North Centre that the trend of judicial decisions, particularly the decisions of the judicial committee of the privy council, has in recent years changed considerably. The trend has been entirely towards the enlargement of the powers of the federal government rather than towards restriction of them; notably in the two cases which were decided in 1933 or 1934, the aeronautics case and the radio case, cited by my hon. friend. Those cases raised the question of the right of the federal parliament to bind the provinces by treaties with foreign countries. In the aeronautics case it was argued that aviation was a provincial matter, at least in some aspects, and that the federal parliament had no power to legislate in respect of it. The question arose under section 132 of the British North America Act which provides that:

> The parliament and government of Canada shall have all powers necessary or proper for performing the obligations of Canada or of any province thereof, as part of the British empire, towards foreign countries arising under treaties between the empire and such foreign countries.

It was held in the aeronautics case that the matter of aviation had become of such national importance that it must be placed under dominion control, and that the parliament of Canada, by accepting the international convention in regard to aeronautics, was in a position to bind the provinces under that arrangement.

The radio case was a little different. In that case we had not entered into an international convention to which the British empire was a party. The British empire was not a party to that arrangement. We had entered into a convention with the United States, Mexico, Newfoundland and I think the Irish Free State, agreeing to certain matters concerning radio. We passed an act adopting that convention. That act was challenged, chiefly by the provinces of Quebec and Ontario. The privy council in that case held that radio, like aeronautics, had become a matter of national importance and was under the jurisdiction of the federal authority. They also held that, notwithstanding that the treaty was not one made by the British empire but with foreign countries, it was still within the meaning of section 132 of the British North America Act and that Canada in adopting that treaty by statute was able to bind all the provinces to its terms. These decisions have advanced the matter considerably. I know what the argument of the hon. member for Winnipeg North Center is in respect thereof. Lately we have grown in our national status, and in our national importance; many questions which thirty or forty years ago were not even thought of by our predecessors have now become of great practical importance in this and every other country. I think that one may say that the trend of decisions in the last eight or ten years has been decidedly in favour of some extension of dominion jurisdiction.

My hon. friend quoted a statement by the Prime Minister last session in regard to amendments of the British North America Act, in which the Prime Minister said that there were two ways of viewing the matter, one in its strictly legal aspect and the other in what might be called its political aspect. I think the statement of the Prime Minister in the house on that occasion was an exact statement of the situation. Legally this house would have right to pass an address, have it concurred in by the Senate and presented to the imperial parliament. But I do not look on that as a constitutional right. I do not for a moment believe that a request for amendment which interfered with the basis of confederation or with the legislative powers of the provinces would be acceded to by the parliament at Westminster, without the concurrence of the provinces.

On the other hand there is the political aspect of the case. When these provinces were constituted under the British North America Act they became legal political entities. They are as completely incorporated and authorized as is the parliament of Canada, and unless we can carry their consent and approval in any matter affecting their exclusive rights I do not think we shall have any chance of securing amendments to our constitutional act from the parliament at Westminster. That is what the Prime Minister meant by the political aspect of the question. There may be a strict legal right but the question is, is it politic, is it wise, is it a right of which we should attempt to avail ourselves. Are all the parties concerned agreeable to it? Such are the questions which would most probably be asked, notwithstanding the strict legal right which my hon. friend has pointed out. My hon. friend must realize that there is a distinction between a legal and a constitutional right.

I do not know, Mr. Speaker, that in my view of this motion it is necessary to enter upon any fuller discussion of the subject. I did note, however, when the leader of the opposition (Mr. Mackenzie King) spoke in this house on Monday last and referred to the question of the amendment of the British North America Act—I am sorry he is not here now—that he made a statement which rather shocked me. I made a mental and also a written note of it at the time. The right hon. gentleman stated broadly that power should be granted to the parliament of Canada to amend its own constitution. However, after carefully correcting and revising his speech in Hansard, I find that he added some words of limitation. I have seen both the unrevised and the revised copies, and I find that he has added these words:

> There ought to be an amendment arrived at as a result of agreement, as I believe it can be.

These words were added after the speech was made. Such is my view of the matter, namely, that an amendment should only be made as the result of an agreement where basic fundamental or important changes are contemplated. I agree that the changes in contemplation outlined by the hon. member for Winnipeg North Centre in his speech today, are basic. There is the question of the incorporation of companies; there is no doubt that there is serious conflict in that regard. There is the whole question of taxation as between the dominion and the provinces. We in this parliament practically have the right to tax anything and anybody in any manner we like. We can impose either direct or indirect taxation, while the provinces are limited to direct taxation within the province. I know that in many of the provinces the revenues do not appear to be sufficient to enable them to carry on all their projects at the present time, and I know that the provinces desire to secure further avenues of taxation if it is possible to secure them.

[Mr. Guthrie.]

Then there are many very nice questions which arise under subsection 2 of section 91 of the British North America Act, which provides that this parliament shall have jurisdiction to regulate matters of trade and commerce. That particular section has given rise to more judicial decisions and interpretations than any other section of the act, and perhaps to as many as all other sections combined. I am glad to say that there has been in recent times a general statement of judicial findings by the judicial committee itself which I think will greatly assist in clarifying a good many points which have hitherto been considerably involved. In the aeronautic case the lord chancellor referred to a case which was decided by the privy council in 1930, known as the Fish Canneries case, he said that the judicial committee had held an inquest in regard to a great many of the decisions of the board, and that it had been found that in the case of the attorney general for Canada against the attorney general for British Columbia, which is the Fish Canneries case, four propositions were stated which in his opinion fairly represented the law on the subject. Those propositions came before the court for decision in the case I have just mentioned, in which a statute was attacked as ultra vires under which the federal government had passed regulations providing among other things that, under certain conditions, all canneries on the Pacific coast should secure licences under the act. In the judgment, delivered in 1929, four specific propositions are laid down; they are not long, and I am going to place them on Hansard:

> (1) The legislation of the parliament of the dominion, so long as it strictly relates to subjects of legislation expressly enumerated in section 91, is of paramount authority, even though it trenches upon matters assigned to the provincial legislatures by section 92.
>
> (2) The general power of legislation conferred upon the parliament of the dominion by section 91 of the act in supplement of the power to legislate upon the subjects expressly enumerated must be strictly confined to such matters as are unquestionably of national interest and importance, and must not trench on any of the subjects enumerated in section 92 as within the scope of provincial legislation—

Note these words:

—unless these matters have attained such dimensions as to affect the body politic of the dominion.

In which event the federal parliament may legislate notwithstanding section 92.

(3) It is within the competence of the dominion parliament to provide for matters which, though otherwise within the legislative competence of the provincial legislature, are necessarily incidental to effective legislation by the parliament of the dominion upon a subject of legislation expressly enumerated in section 91.

(4) There can be a domain in which provincial and dominion legislation may overlap, in which case neither legislation will be ultra vires if the field is clear, but if the field is not clear and the two legislations meet the dominion legislation must prevail.

Such was the decision rendered in the British Columbia fish canneries case in 1929, and this decision has been expressly approved as a statement of the present law upon the subject in the aeronautics and radio cases which have been cited this afternoon by the hon. member for Winnipeg North Centre (Mr. Woodsworth).

I agree with my hon. friend that it is high time that some definite step was taken to ascertain if we cannot arrive at some agreement with the provinces in regard to amendments to the British North America Act. I emphasize the word "agreement" because I hold a very strong opinion that we cannot reach any satisfactory conclusion otherwise than by conference and agreement. Therefore I am quite willing to accept this motion on behalf of the government. It has been drawn with the object of safeguarding the rights of minorities in this country. So far as the government is concerned there will be no objection to this motion being adopted and submitted to a select committee of this house.

Hon. ERNEST LAPOINTE (Quebec East): Mr. Speaker, my hon. friend from Winnipeg North Centre (Mr. Woodsworth) has raised a most important question, and one which is widely discussed at the present time. As he has stated the act of 1867, though not perfect, has been a good instrument of government, but no one will deny that we have developed beyond the rigid limitations of an act which was well adapted to the conditions prevailing sixty-five years ago. At that time there were four colonies, not very thickly populated, and the people in each lived their own lives with very little concern in regard to what was happening in the rest of the country or, for that matter, in the rest of the world.

To-day Canada is a nation, and each part of Canada influences and is influenced by what takes place in the other parts of the country. The conditions of 1867 certainly were not the conditions of to-day. Now we have a line of autonomous provinces extending from ocean to ocean, and the discoveries of science have transformed the existence of the people. Legislatures have to deal with matters which were unthought of at that time. In the early days who would have thought of radio, aviation or even social questions such as old age pensions, unemployment insurance, and workmen's compensation? The result has been that the division of powers between the federal parliament and provincial legislatures has been the cause of interminable litigations and has resulted in much confusion and uncertainty. Constantly appeals are being heard by the privy council regarding the powers of the federal and provincial authorities; sometimes those appeals are at the instance of the dominion government and sometimes at the instance of provincial governments. I may say the honours have been pretty evenly divided. I do not think the privy council has distinguished itself particularly nor has it shown great consistency in its interpretation of the spirit of the British North America Act. As a matter of fact who among the lawyers of this country does not know that when Lord Haldane was one of the powerful members of the board, perhaps the most powerful, there was a leaning towards the provinces. Since Lord Haldane is no longer there and as there are other strong members on the board the trend has been rather on the other side with the result that in later years the federal parliament has been successful. Clearly this condition is undesirable.

Those two subsections of the act which give the most cause for conflict are that part of section 91 assigning to the dominion parliament powers concerning trade and commerce and that part of section 92 giving to the provinces control over matters affecting property and civil rights. The boundary in those two matters is in most cases very hard to discover, and that is the reason there have been so many litigations with regard to the interpretation of the act.

The Lemieux act passed by this parliament in 1907 was enacted to provide that in cases of trouble or conflict between employers and employees they must resort to a conciliation tribunal and that if they do not a strike or lockout is unlawful. If there is a question national in its scope it is the question of the industrial relations between labour and

capital, and if there are strikes throughout the country surely the federal parliament should intervene. On the other side the argument could be urged that troubles are usually caused because of different views concerning hours of labour, contracts between employers and employees and other similar matters which come under that part of section 92 having to do with property and civil rights.

The result was that after operating for about twenty years that piece of legislation passed and enforced by this parliament was challenged in 1926, declared unconstitutional and beyond the powers of this parliament to enact. The same question arises in connection with the insurance problem. No doubt insurance is simply a contract by which a corporation may insure the life or property of the citizen, thereby affecting property and civil rights. On the other hand who will deny that insurance is a matter of national importance? Still, legislation of this parliament concerning insurance has been declared invalid by the privy council.

The two matters to which the Minister of Justice referred, namely radio and aviation, have been decided in favour of this parliament. It is a good thing such decision was made regarding radio, otherwise we might have been prevented from listening to the Prime Minister's reform speeches over the radio. So far as I am concerned that would have been a calamity. The same questions arise when we come to deal with division of revenues between the dominion and the provinces, taxation and other matters.

I believe every person who studies this matter will come to realize the importance of making some changes. What those changes should be, in what manner they should be made and the procedure to adopt before, during and after they are accepted are questions for consideration. I am not one who believes that the constitution, and for that matter the Canadian constitution, is an ark of the covenant which no one may touch or even look at without being guilty of a crime or subject to penalty. In my view the constitution should be adaptable to the changing conditions of a country. I believe no constitutive body, no national assembly meeting for the purpose of establishing a constitution, has any right to prevent future modification of the organism they are creating. I do not believe they have the right to deprive future generations of the competence they themselves have used. If a constitution cannot be changed it is my view that inevitably the change will take place when there is a sufficient trend of public opinion, or a great majority in favour of a change. If those changes do not come along the legal and constitutional lines prescribed by law or by the constitution I am afraid they will come because the will of the people ultimately will always prevail. There must be difficulty; there must be ways adopted and fixed which make it very difficult to change the constitution. To make it utterly impossible, I submit, would not be in the interests of the people of the country which is subjected to that constitution.

As far as Canada is concerned let me say that what has been stated is true; I do not know whether it has been stated to-day but I read in Hansard that it was stated last week that Canada is the only dominion in the British commonwealth which does not possess the right to amend its own constitution. Moreover, it is the only federal state in the whole world which has not the power to change its own constitution. The United States, Mexico, Venezuela, Brazil, the Argentine Republic, Australia, Switzerland—all these are federal countries and each of them has a constitution which provides for the way it shall be amended when the necessity arises.

But so far as Canada is concerned, as it is to-day the British North America Act is a statute of the imperial parliament, and there is no mode of amending it prescribed in the act, which means that to amend it another statute is required. There is no room, there is no established practice as to the way in which such an amendment shall be brought about.

Have the provinces the right to be consulted. This is a question that is being discussed. The provinces have been consulted in some cases, but in most cases they have not been. In 1907 when the case of the new allocation of subsidies to provinces was settled, my hon. friend from Winnipeg North Centre (Mr. Woodsworth) says that the imperial parliament passed the necessary amendment at that time in spite of the objection of British Columbia. Well, the amendment inserted then did not meet at all the views or wishes of British Columbia. It merely added three words, and did not mean anything. They said in Great Britain at that time that although they were not taking into consideration the objections of Sir Richard McBride, then premier of British Columbia, it did not mean they would always accept the views of the dominion against the provinces if they were not in accord in the future.

However, everybody will agree that the system is uncertain, is vague, is indefinite, and

is most unsatisfactory. I personally believe that Canada, like all the other autonomous countries in the world, should have the right to amend its own constitution. I believe that an agreement to that effect between all the parties to confederation is not only desirable but possible. I believe that we should take into consideration the various methods of amending as they exist in the constitutions of all the other federal powers and ascertain which would be more adaptable to our own conditions, with the changes which would be necessary to meet our own conditions. Our constitution must be a living instrument capable of being adapted to our national growth, and it is being faithful to the work of Macdonald and Cartier, and the other fathers of confederation to continue their work and see that it receives its full expansion.

Of course, this will be, and I hope my hon. friend from Winnipeg North Centre will agree with me, a most delicate task. It is not so easy as all that. First, what changes should be made in the constitution? Some are desirable, but there are two schools of thought in this country as to that. There are those who are in favour of the strongest concentration or centralized power possible, and who would favour giving to the central power most of the authority which is now subject to provincial jurisdiction. There is another school which believes that there are many matters as to which the will, the customs and the mentality of the different sections of the country in the various provinces should be considered first. For instance, reading the resolution of my hon. friend I see that he mentions only the desirability of giving the dominion government adequate power to deal effectively with urgent economic problems, and so forth. I would like him to have added—and to give to the provinces in their sphere that undoubted authority and jurisdiction which they do not seem to have at the present time. There are many fields in which there is overlapping. In some of these fields it would be better that the authority should be given to the dominion parliament, but do not ask that everything should go to the dominion parliament, as is rather suggested in this resolution. I believe that the powers should be clearly defined and determined, but not necessarily that most of the authority should be given to the central power and less to the provinces. In some fields I believe that the powers of the provinces should be stronger, but this should be determined by making the act clearer and giving it better phraseology.

We must not forget, as the Minister of Justice (Mr. Guthrie) has said, the spirit of the agreement in whatever change takes place. When confederation took place the country was on the verge of civil strife. During the two years which preceded the Quebec conference there had been four successive changes of government. The public men of that time all agreed that they had to get together in order to try to save the country and make it a unit by giving to a central government, authority on all things which were national in their scope, and leaving to the provinces authority on things which should rather be dealt with by the local authorities. The provinces agreed to relinquish some of their powers at the time in favour of the central authority. But no one must forget that after all they did exist before the dominion government existed. These colonies were separate colonies, and they got together. They agreed to relinquish some of their powers, but on the condition that they should be left other powers and that the federal government should never have the right nor the power to interfere within their sphere of jurisdiction. There is another thing I wish to emphasize, and that is that the British North America Act is not only the constitution of this dominion; it is not only the charter of the dominion parliament or of the dominion government; it is just as much a charter of the provinces. It is their constitution as well; it is the law under which they have an existence. My hon. friend said they were a political entity. They are even a legal entity, and I must say that I do not agree with the Prime Minister or with the Minister of Justice when he said that legally this parliament could have the right to change the constitution, the British North America Act, when it comes to matters which are certainly provincial in their scope. I do not agree with that.

Mr. GUTHRIE: I said there was a legal and a constitutional right; they are very different.

Mr. LAPOINTE: Neither legally nor constitutionally could you pass an act providing that property and civil rights belong to the jurisdiction of this parliament. I do not think that can be done, my right hon. friend the Prime Minister to the contrary notwithstanding. And apart from the question concerning minorities there are many other questions which are strictly within the sphere of provincial jurisdiction and should not be taken away from the provinces without agreement with them.

Thirdly, within the limit of its jurisdiction, a provincial legislature is just as autonomous,

just as sovereign in the matters on which it has authority to legislate as this parliament is. There is no difference at all in that right of the provincial legislatures and of the dominion parliament. Why, even the statute of Westminster, adopted three years ago, gives this parliament full powers of government; even if the legislation of this parliament comes into conflict with some imperial legislation, it is our legislation that prevails. There is no limitation to the powers of this parliament to enact legislation, even though it is contrary to an imperial statute. Sub-section 2 of section 7 of the Westminster act says:

> The provisions of section 2 of this act shall extend to laws made by any of the provinces of Canada and to the powers of the legislatures of such provinces.

This means that the imperial parliament cannot invalidate a statute of a provincial legislature of Canada legislating within the sphere of its authority. The provincial legislatures are just as autonomous within their jurisdiction as the dominion parliament is.

Now there has been at various times a discussion as to whether the Act of Confederation is a treaty or a pact, and I do not wish to enter into that discussion now. Whether it is a treaty—and it was called such by Sir John Macdonald, by Cartier, by D'Arcy McGee and later on by Sir Robert Borden and Sir Wilfrid Laurier—whether the supporters of the school of thought which now claims that it was not legally a treaty or a pact are right or wrong, I do not wish to discuss. At any rate everyone will agree that it was an understanding, an agreement as between various legislative bodies in North America and that nothing should be done which changes the terms of that agreement without a new understanding, a new consultation, a new conference and, I would add, a new agreement.

I think that a conference with the provinces is a necessary preliminary step to any change which might be made—and, mind you, I am in favour of a change being made. I will make this statement now, and I pray you, Mr. Speaker, to believe that it is not my wish to inject anything political into the discussion; I would say the same if the men with whom I sit were on the other side. I do not think that it would be for a dying parliament, just before a general election, to change the constitution of Canada. This question, I think, should be taken up and dealt with by a parliament, a government which is fresh from the people, which has a clear mandate, whatever that government might be. And the same with the provinces.

I think we shall have in the very near future a situation in which almost all the legislatures of Canada will be new. There have been many elections recently, there are new legislatures in most of the provinces, there will be three new provincial elections probably this year, and there will be a federal election. I submit therefore that the time for taking up a question like this would be rather when these legislatures, ours like the others, have a fresh mandate from the people.

I hope that this question will be discussed without any political intent or interest or meaning from whatever side. It would be a disaster if the constitution of Canada, if anything concerning the constitution should become a bone of contention between political parties. I see occasionally suggestions of a national government or a union government being formed for the purpose of settling the railway question or methods of taxation. Well, sir, all these questions are merely questions of administration, and any government can settle them if it has the courage and the strength to do so. If a national government were required —and I am not in favour of it—it would be on a question like this; and I am surprised that those who advocate such a body do not give this as a justification for it. But what I would suggest is this. The conference, as there will have to be one to settle the whole question, instead of being a conference of governments, as the other dominion-provincial conferences have been, ought to be more national in scope, just because it is essential that there should not be any division between parties in this matter. I would suggest that the delegates from the dominion to this convention should be selected as our committees are in the house and should include representatives of all parties in the House of Commons. I would suggest also that the representatives of the legislatures which will meet with the dominion body in order to discuss this most important question ought also to be selected from amongst the various parties in the different legislatures. That would be a really national conference and would eliminate many of the possible troubles and causes of friction which would be very dangerous in this matter.

But hon. members may ask me: What would you suggest as a practical method of amending the constitution? This is what I have already suggested both in this parliament and outside it: when we speak of Canada, we mean Canada as including not only the dominion parliament but the nine provinces as well, and I am in favour of Canada having the right to amend its own constitution; but I would suggest that when an amendment is proposed by this parliament, the change should

have to be agreed upon by a majority of two-thirds of the members of the house and the members of the Senate and this change should be submitted to the various provincial legislatures for their approval. On ordinary questions, questions of finance, railways, communication and matters like that, I do not think unanimity ought to be required. It would be an absurdity that one province might on a purely fiscal or financial question, a matter of taxation, prevent the will of the immense majority of the people of Canada from prevailing. A clear majority or a majority of two-thirds of the legislatures might be required on most matters. But on questions of vital importance to some sections of Canada, questions of protection of minorities, the question of school or language, unanimity should be required and I believe the hon. member for Winnipeg North Centre has already stated that that is his wish in the matter. That would be the suggestion I would make to a convention representing the dominion and the provinces for discussion. I do not think it is perfect; it could be improved, but as a subject of discussion it is what I personally would be willing to submit.

So far as the resolution of my hon. friend is concerned, of course I have no objection to its being submitted to a committee, but with that reservation again that it is a little queer that one party to the agreement should study the methods of changing the agreement by itself without inviting the other parties to participate in the discussion.

Mr. GUTHRIE: The committee will do that, I suppose.

Mr. LAPOINTE: That is the only reservation I would make.

Mr. MICHAEL LUCHKOVICH (Vegreville): Mr. Speaker, I am more interested in the humanity than in the legality of the constitution. Both the hon. member for Quebec East (Mr. Lapointe) and the Minister of Justice (Mr. Guthrie) have spoken of the constitution from the legal aspect. The Minister of Justice said that the constitution of Canada has not within itself the means of amending it. Well, some poet many centuries ago had this to say:

> The moving finger writes; and having writ,
> Moves on; nor all your piety nor wit
> Shall lure it back to cancel half a line,
> Nor all your tears wash out a word of it.

If that is so, I suppose those hon. members who have tears to shed should prepare to shed them now, because according to the words of the Minister of Justice we, deprived of the ability to amend our own constitution, will not be able to amend it in the near future. There is a possibility in the same manner as we might tighten the hoops on a barrel so that the barrel might burst, the hoops of the constitution might become so tight on the Canadian people that something in this country might burst. The people have a way of acting like that on occasions.

There is no question of doubt in my mind that this move for constitutional revision is due to the last five years of depression and also to the new philosophy that is at present arising in Canada. The government has launched upon a new political philosophy, claiming that the old order is gone and that we must substitute a new order therefor. Personally I do not feel that we can launch or bring about a new order in Canada until our constitution is changed, because if we try to inaugurate this new order we shall find that so far as the provinces and the dominion are concerned, impediments and obstacles will be placed in the way of constitutional change so as to render it absolutely impossible to make any change in the constitution. Therefore I hold that unless we do change the constitution materially, we shall not be able to inaugurate this new order about which so much is being said, not only in this corner of the house but amongst hon. gentlemen opposite. The people throughout the country ten years ago were not interested in constitutional changes; all they were interested in was a job, and having a job few of them were interested in the constitution at all. It was not until 1929 when the depression and the crisis began that the people at large commenced to think seriously about the constitution by which this country is governed. We have been told in the schools about the infallibility and immutability of the constitution and speakers at various picnics have told us about the supreme wisdom of the fathers of confederation. But people are beginning to doubt that supreme wisdom and at the present time it is very difficult to get a speaker at those picnics and other festive occasions to speak so eulogistically of the men who drafted our constitution. The constitution was a product of the economic philosophy of the times; the laissez-faire philosophy, then in its hey-day. But times have changed since 1867; we now have a new economic philosophy which is held not only by this group and others in the house and throughout the country but to which even the Prime Minister has become a convert. It has been said that we would meet with difficulties in regard to provincial jurisdiction. I have in my hand a report of the case of Snyder v

Toronto Electric Commissioners, in which the province denied the validity of dominion legislation providing for compulsory investigation of labour disputes in public utilities, and it was discovered that the dominion had not the power to implement the signatures of its representatives to the international convention for the eight-hour day.

Suggestions have been asked for. Take the matter of social services, regulation of wages and hours of labour; why can this not be under the control of the federal authorities rather than have the situation that exists today in which we are faced with provincial impediments at every step? I asked an unemployed man the other day what he thought about these attacks on the constitution and on liberty, and this is what he said: So far as those sections of the constitution that are absolutely necessary to safeguard certain necessary rights in this country are concerned the constitution should be upheld, but if it is being used merely as a cloak for some ulterior motive or to prevent essential legislation then I say the constitution should be radically changed. Can you imagine any leader in this country haranguing a crowd of unemployed men and women about the benefits of liberty and the constitution and the dangers of losing both when all the while they are thinking about the condition in which they now find themselves of misery and demoralizing idleness and starvation in the midst of plenty? These are the things about which people are thinking at the present time. They feel that they have been circumscribed by a sort of economic straight-jacket from which they are finding it very hard to extricate themselves.

I have said that the constitution as drafted in 1867 is a reflection of the economic thought of the times. The constitution in 1935 should be a reflection of the economic conditions that now exist. If we are to launch this new order, call it government intervention if you will, I do not think it has much chance of success unless the constitution is radically amended to suit the new order. Let the constitution fit the times and the needs of the people rather than have the people fit arbitrarily into the constitution.

Motion agreed to.

TITLES, HONOURS AND AWARDS

On the motion of Mr. Mackenzie King:

That, in the opinion of this house, the Prime Minister should refrain from recommending to His Majesty the King the conferring of any grade of the peerage or of any order of baronetcy or of knighthood upon any of His Majesty's subjects resident in Canada.

[Mr. Luchkovich.]

Hon. ERNEST LAPOINTE: The leader of the opposition (Mr. Mackenzie King) has asked me to ask that this motion should stand, because he does not want to delay the discussion of social reform.

The ACTING SPEAKER (Mr. Smith, Cumberland): Number 18 stands.

PACIFIC COAST SHIPPING

DESIRABILITY OF ENCOURAGING EMPLOYMENT OF WHITE SEAMEN IN PREFERENCE TO ORIENTALS

Mr. THOMAS REID (New Westminster) moved:

Whereas great numbers of Canadian seamen on the Pacific coast of British Columbia are out of employment and in many cases destitute;

And whereas, owners of ships and vessels of Canadian registry on the Pacific coast of British Columbia give employment in large measure to seamen, cooks and engineers of oriental origin;

And whereas, other countries give greater consideration to the employment of their own nationals on ships and vessels belonging to their own country;

And whereas, the Canadian government grant large sums of money to the owners of ships and vessels by way of subsidies;

And whereas, it is desirable that every encouragement be given for the employment of officers, seamen, cooks and engineers of white Canadian citizenship in preference to those of oriental origin on all Canadian owned and registered ships and vessels;

Therefore be it resolved, that, in the opinion of this house, the government take such steps as will provide for employment of greater numbers of white Canadian citizens on all ships and vessels of Canadian ownership and registry, the owners of which receive grants of money from the public treasury of Canada.

He said: Mr. Speaker, may I say at the outset that this is not the first time I have spoken on this matter in the house, but it is the first time that I have introduced it by way of a resolution. It is unnecessary to elaborate the meaning of the resolution as I think the wording sets out the gist of the matter fairly well.

I would like first to speak of the subsidies paid by the government of this country to the various steamships operating on the Pacific coast, and in passing to mention the total subsidies paid to all shipping by Canada. In the year 1930 the mail subsidies paid to ships operating on the Pacific amounted to $227,080. The figures I am giving are taken from the main estimates. In 1934 the subsidies paid to steamships on the Pacific had risen to almost a million dollars, to be exact, $990,800. In the estimates brought down the other day for 1935-36 the total for the Pacific ocean is $1,180,800. I ask the house to note the great increase in these estimates during

the past four or five years. I realize that a private company or an individual in business for himself is free to engage whomever he likes, and it might be going too far for this parliament or government to restrict that individual or company as to whom he should hire. But I claim that when this parliament and the country is granting to steamship companies such large sums, amounting in the aggregate to nearly two million dollars, we should take notice of whom these companies employ. I shall endeavour to prove that the lack of some supervision in this matter is working a severe hardship on our own white Canadian seamen.

As to the numbers employed on steamships operating on the Pacific may I give the latest figures? This information was provided on January 12, of this year. The figures show that orientals engaged numbered 2,590. The number of white Canadian seamen idle in the province of British Columbia, according to up to date figures, is roughly 2,050. A careful survey was made of the unemployment camps in order to secure the occupations of the men there employed, and it was discovered that some 400 of these men had been seamen. In the city of Victoria 550 seamen were idle; 900 were idle in New Westminster and Vancouver, making a total of 2,050. To be complete, of course, that figure has to include the 200 seamen working on part time.

I am sorry to have to discuss this resolution in the absence of the Minister of Trade and Commerce, because these subsidies are under his department. When I discussed the matter last year the then Minister of Trade and Commerce used the argument that the orientals engaged on board these steamers operating from the Pacific coast were British subjects. I should like to point out that after careful investigation it will be found that such a statement is very far from the fact. The orientals engaged on these steamers are engaged chiefly from Hongkong and from Canton, and I have before me some information as to the conditions existing in Hongkong, taken from the Encyclopedia Britannica. I am going to quote some of these conditions, because they are very pertinent to the matter under discussion in view of the statement made last year. Hongkong is a depot for an incessant flow of Chinese emigration and immigration, especially in connection with the Straits Settlements. In 1931 there were 100,869 emigrants and 283,890 immigrants. The total population of Hongkong in that same year was 840,473, and of these only some 19,000 were classified as non-Chinese. Immigrants from the Canton delta account for 76 per cent of the total population of Hongkong. The colony is governed by a legislative council consisting of the governor, nine official members and six unofficial members. Eight of these members are nominated by the crown, of whom three are Chinese. The police force consists of approximately 2,110 men. The Chinese section has a system of watchmen, who are paid by the Chinese inhabitants.

One of my reasons for stating these facts, Mr. Speaker, is in order to bring before the house these conditions in an endeavour to prove that it is impossible for anyone to say definitely as to the nationality of these men, apart from the fact that they are hired through Hongkong. The total number of pupils in the public schools in 1931 was 68,500. Of these one-third were in schools in which English was the medium of instruction, while two-thirds were in the vernacular schools, in which Chinese is taught. The five schools for children of British parentage have an average attendance of only 423. Hongkong, being the principal source of distribution in the far east, with a huge floating population and a constant influx from the mainland not only by steam vessels but by local junks as well, it would appear to be no easy matter to keep a real check on the movements of the Chinese in that city. As to the number of those who have become British citizens there is no record available, and such information could be obtained only from the secretary of Chinese affairs. There is no system in vogue by which it would be possible to tell whether or not large numbers of Chinese in Hongkong have become naturalized, unless after a very careful inquiry and close check. I believe the city is divided into two sections, European and Chinese, with a wire fence between which is guarded by Chinese policemen. It is no trouble at all for the Chinese to pass through the European section into the Chinese section or vice-versa, and it is from this section that seamen are engaged on the steamships plying from Pacific ports.

As a matter of fact, Mr. Speaker, an investigation was conducted by the Seamen's Association of Vancouver, and they have evidence to prove that the majority of the Chinese on these ships operating from the Pacific coast claim to come from Canton. Here is how they are engaged. On each ship they have a number one boy who is paid $15 per month. Seamen are recruited at Canton by a shore agency which is operated by another agency in Hongkong. When engaged they are directed to the number one boy on the ship, who arranges as to their pay, and so on. This

number one boy pays the crew any advances they may desire, and I understand that when the ship is paid off the money is distributed in this way: All the money goes to the number one boy; it is thrown into a pillow case and he takes it below and distributes it pro rata among the men. But I would point out that of the wages paid last year, amounting to something like $19,000, practically nothing is spent in the province of British Columbia. That money is taken home and spent in China. Then another point which bears out my contention that these men are not British subjects is the fact that when the steamers arrive either at Vancouver or at New Westminster, these seamen are not allowed to leave the ship. A guard is placed at the gangway and not one man is allowed ashore. So the contention made last year by the then minister that these men were British subjects is not borne out by the actual facts of the case. If they are British subjects why keep them on board; why put a guard on duty to see that they stay on the ship?

I do not think it is too much to ask this parliament to take care of our own people. Almost every country in the world protects its own nationals. In the United States they insist that the employees on their ships shall be one hundred per cent American. In the event of any ship trading on their coast there is a duty imposed, and the ship and crew must be under American registry and the men must be paid the American scale of wages. France has always protected its seamen by insisting that French nationals shall have preference of employment on all ships under French registry. The same applies to the Argentine and Brazil. Of course we know what has taken place in Australia; ships operating under Australian registry must carry a greater number of white nationals than of orientals, and they will not allow the oriental crews to unload ships. New Zealand has just passed an act from which I am going to read one clause:

> Seamen engaged in New Zealand to be paid current wages.
>
> (1) Notwithstanding anything in this act, it is hereby declared that where the master, owner, or agent of any ship,—
>
> (a) Engages seamen in New Zealand; or
>
> (b) Having engaged them abroad, employs them in New Zealand,—
>
> those seamen while so employed shall be paid and may recover the current rate of wages for the time being ruling in New Zealand; and in the former case the engagement may be determined in New Zealand at any time after the ship's arrival at her final port of discharge in New Zealand, consequent on the completion of a round voyage, by twenty-four hours previous notice on either side.

[Mr. Reid.]

Other countries such as Germany, Denmark, Norway and Holland have always insisted on some measure of protection for their own nationals. But in Canada we have a group of people receiving well over a million dollars who are not very particular about whom they engage, so long as those men work cheaply enough. I know that at times some people take the attitude that a sort of brotherly love should exist, and that the men employed are human beings, the same as we are. May I point out however that this is not a case of a brotherhood. If the companies affected were compelled to pay the same rate of wages to all men not one of those orientals would be engaged. This is simply a case of sweated, cheap labour. Yet we are handing out over a million dollars to these companies while our own Canadian seamen are walking the streets of Vancouver. As I have pointed out, numbers are kept by the state; four hundred of them are in the relief camps on the coast. May I point out some of the wages being paid by various countries. These rates to which I shall refer were given in the British House of Commons by Mr. Runciman no longer ago than December 19 of last year. To be frank, I was very much surprised when I learned the name of the country paying the highest wage. I was not surprised when I learned which country paid the lowest. Hon. members may be interested to know that next to the United States, the country paying by far the highest wage, stands Holland. The figures I shall give are quotations in dollars in terms of sterling. Holland pays her able seamen $52 per month and her firemen $56. Great Britain pays able seaman $40 and firemen $43. Going through the whole list I find that Japan pays the smallest wage, her able seamen receiving only $11 per month and her firemen the same. The Chinese receive about the same as the Japanese.

In that connection I should like to read what Great Britain is doing and has done in regard to the employment of her own subjects. This matter has received considerable attention in the old country, and while they have not done everything that could be desired they have taken steps to protect their nationals by passing a law stating that no alien shall be employed in any capacity on board a British ship registered in the United Kingdom, unless he can produce a birth certificate. I venture to observe that if we had that law in Canada very few of the seamen engaged in Hongkong would be aboard the ships operating on the Pacific coast. I question if one of them could produce a certificate of

birth indicating that he was born in a British country. The British ship owners also have issued the following instructions to masters:

> We expect you and your engineers to ship a British crew whenever it is practicable and to give suitable British men preference at all times over those of all other nationals.

The following regulation has been passed by the Board of Trade of Great Britain:

> Great Britain does not allow foreign ships to unload cargoes in British ports and if they desire to do so they must receive permits from the Minister of Labour.

Reference was made in the House of Commons to this regulation by Mr. Runciman.

When all other countries are endeavouring to hold their places in trade and are seeing to it that every protection and encouragement is given either by law or implication to their nationals I believe we should do the same. If one were to go aboard the ships entering Vancouver or New Westminster harbour he would find Italians manning Italian ships and Swedish nationals manning Swedish ships. The same would apply to ships from Japan and China and to all others.

At this point I should like to indicate something which occurred last year and which to my mind is very strange indeed. Canada had disposed of some of her mercantile marine, and while the ships were not sold directly to Japanese interests the fact is that the Japanese acquired many of them. One of the shipping companies which is receiving a subsidy of about $4,950 a trip from this government, the operations of which company are carried out by still another shipping company, engaged a Japanese firm to carry lumber and other goods from British Columbia. The company in charge of that ship received $4,950 of Canadian money for shipping on one of our discarded boats. It is not exactly known what they paid for the ship, but it would be interesting to know. While presumably the subsidy is given to encourage trade I think the house should know just what that trade is costing the owners who used these subsidized ships.

Mr. MANION: There is no difficulty in knowing it. I shall give the information at any time. It was sold by the Canadian National Steamships, and if the hon. member will put his question on the order paper I shall give him the figures as soon as I can get them.

Mr. REID: I shall be glad to have the figures for those ships. It would also be very interesting to know just what that company paid the Japanese firm for the use of a boat on a trip for which they received $4,950 of good Canadian money from this government. It would be interesting to know that part of the question, too.

I was informed upon fairly good authority that these subsidized lines were charging more for the hauling of lumber than were other steamship companies operating on the Pacific coast, but I learned that after an appeal to the minister the rates were reduced. I was startled to receive that information because it is presumed that the subsidies were given to enable our steamship companies to compete with Japanese, Italian or Chinese lines. I learn however on good authority that better rates could have been obtained from lines which were not subsidized, and I believe it is about time a commission was appointed to investigate the whole matter.

Mr. MANION: To which minister is the hon. member referring when he states that there was an appeal to the minister?

Mr. REID: I am referring to the former Minister of Trade and Commerce. That is one of the reasons I have placed on the order paper a request for all letters and telegrams passing between the then Minister of Trade and Commerce and some of the steamship companies. I am interested enough to want to know if some of the information I have received is true, because it was given me on first class authority from one engaged in the lumber trade. He told me that the steamship company in question reduced their freight rate immediately they learned he was appealing to the government. Formerly however they had been charging a higher rate, despite the fact that there was a subsidy in existence which was supposed to enable them to compete with Japanese, Chinese and other lines.

I have before me a list showing the nationality of employees on some ships, and these figures indicate that while on the Canadian Pacific steamer Empress of Canada 500 orientals are employed, there are only a very few white men. I am not advocating that the whole crew should be one hundred per cent Canadian because I realize there may be Chinese going back and forth who would have to be looked after. But when you find on the biggest liners 500 orientals and only a handful of white seamen, a few key men only, I wonder sometimes what would happen if a catastrophe by storm or fire occurs and the passengers have to look to the five hundred of the Chinese crew for their safety at sea. Are the lives of our people as safe as they should be under those circumstances? I doubt it very much.

There are 495 orientals on the Empress of Japan, 500 on the Empress of Russia, and 500 on the Empress of Asia. In addition, on the

coastwise vessels which are receiving subsidies from this government there are approximately 107 orientals carried. With regard to the Union Steamships Limited, which receives subsidies from this government, 90 orientals are employed on their ships, and then I find that our own Canadian National ships, which surely anyone would expect would be free from anything like this, carry approximately 20 orientals. I can go through the whole list and find the same thing. The British-Canadian Steamship Company, which is receiving a subsidy from this government, employ also a great many orientals on their ships. They employ 300 orientals, Mr. Speaker, although they told the seamen's associations that they would endeavour to engage as many white men as possible. Well, apparently they are still endeavouring because that change has not come about yet. And they are employing these 300 orientals to the detriment of our own white Canadian seamen.

We have a motto in front of this building, "The wholesome sea is at her gates, her gates both east and west," but I can tell you, Mr. Speaker, it is not very wholesome around those ships anyway, and it never will be wholesome as long as we neglect our own and engage orientals and so allow our own white seamen to walk the streets idle.

It is surely not an unfair request to ask the government that steps be taken to see that a greater proportion of our white Canadian seamen are employed on these ships, epsecially when we are handing out almost $2,000,000 for subsidies to these shipping companies. The Prime Minister has spoken about changes in the present system. Well, I hope that this is one of the changes that he is going to bring about for the benefit of our own citizens on the Pacific coast.

Canada has entirely neglected her seamen. In passing, Mr. Speaker, may I also make this request, although it is perhaps not exactly within the scope of the resolution before the house, that more note be taken of the idle shipyards that we have in this country. We talked the other day in this house of a building program, of the building and renovating of houses, of which I approve; but did we hear anything said about more work for our Canadian shipyards? Yet this was the country to build the first steamship that crossed the Atlantic. To-day our shipyards are lying idle from the Atlantic to the Pacific, and nothing is being done to provide them with work. No suggestion is made that some encouragement be given to these yards, to build our own ships, to keep our own artisans at work. This country over three thousand miles in extent is bounded on three sides by the sea, and yet shipbuilding is the one industry that is entirely neglected, and not only is it neglected, but no notice at all is taken of the matter of engaging white seamen on ships. I am appealing to the house and asking the government in this resolution to take steps to see that more white Canadian seamen be employed. As I have pointed out, it is not an unfair request. It is a request that I believe everyone in this house can and should support. The resolution does not ask the government to pass a law telling every steamship company that it must at once hire white Canadian seamen but it does request the government, in the case of those steamship companies that are receiving subsidies from the people of this country, to see that greater consideration is given to the matter of employing more white Canadian seamen.

Some of these lines that are receiving subsidies from this government are very cute too. They operate in Canada and receive their subsidies from this government but have their ships registered in London, and what do they do when they want engineers and mates? Do they employ the men in Vancouver and New Westminster who are just as competent as any they bring out? No, they bring out these men from London, England, or even from Scotland.

Some hon. MEMBERS: Oh, oh.

Mr. REID: The engineers would likely come from Scotland anyway. I am not objecting to these men coming out but I do object to these ships which are subsidizing, and which are making a living from this country, bringing out these men when we have just as competent men here in this country. Our first consideration should be for our own. If we have no men here who can fill these positions, it is all right to go to the old land and bring out these men. Only last year they even brought out a policeman. Just think of it; they could not find in Vancouver or New Westminster a man who could act as policeman, and they had to bring a man all the way from London.

Do these companies give any consideration to Canadians when they are employing ships' musicians? Are the musicians around Vancouver and New Westminster engaged on these ships? No, the bands on board these ships are hired from the Philippine islands. These companies will go anywhere so long as they can get men cheap enough. They will get cheap seamen in China and cheap musi-

cians in the Philippine islands, and put them on board these boats while our own men are walking the streets.

I do not think I need to elaborate further on my resolution. It is before the house and I am asking the house and the government to accept it. I ask the government to take steps to see that more of our white Canadian seamen are employed on these subsidized ships.

Mr. ANGUS MacINNIS (Vancouver South): Mr. Speaker, I would like to say a few words in support of the resolution that has been proposed by the hon. member for New Westminster (Mr. Reid). In fact I will go further than he has gone and propose what in my opinion are the appropriate steps to be taken by this government to bring about the conditions that he has in mind, namely, the employment of more white seamen on ships of Canadian ownership or of Canadian registry.

Listening to the hon. member for New Westminster in his scathing indictment of the way in which these private employers, these private capitalists, employ their help buying it in the cheapest market, I wondered why he was sitting with a party that upholds that particular system, and trying to ease the sores of capitalist exploitation by spreading a little salve over them. Last session or the session before, when these subsidies were up for consideration, I asked the Minister of Trade and Commerce if, where the government was granting subsidies to ships, they would consider inserting a fair wage clause in the contract as a condition of granting the subsidy, just as we have it inserted in other government contracts, and the minister of that day said that he would take the matter under consideration. However, I have not heard anything further about it.

I am not particularly concerned as to who is employed on the ships, but I am concerned as to the conditions under which they work. Moreover, I am quite satisfied that white seamen, particularly of the race to which the hon. member for New Westminster and myself belong, would surely get the preference, and certainly from the Canadian Pacific because they have a good eye for business, if a minimum wage was in effect. There should be a fair wage clause or a minimum wage established for sailors and other people employed on these ships. I believe that that is the means whereby we can meet the situation. We should see to it that wherever the dominion government provides a subsidy—I would even go further than that and say that wherever there are ships coming to the ports of this country over which the dominion has any control whatsoever, there should be minimum wage regulations covering the employment of the seamen engaged in any capacity whatever on board those ships, and with that proviso or extension I support the resolution proposed by the hon. member for New Westminster (Mr. Reid).

Mr. J. S. WOODSWORTH (Winnipeg North Centre): May I add a word in support of the principle here laid down. I take some exception to one of the whereas clauses, the idea that every encouragement be given to the employment of officers, seamen, cooks and engineers of white Canadian citizenship in preference to those of oriental origin. I do not like it worded just in that form, with the implication that we should exclude those of oriental origin, but I do think that the employment of more of our own Canadian people, residents of Canada, is highly desirable. I think we all agree that the reason so many orientals are employed is simply the fact that they can be secured at a cheaper rate, and I have all along taken the view that the way to exclude orientals or people of low standards was by erecting a high minimum wage barrier.

Many years ago Mr. Paul U. Kellogg said that such a barrier would constitute a sort of immigration tariff, and I think it would. I have said before, and I have been severely criticized for saying it, that in my opinion people resident in this country, and especially people who have been born here, whether oriental or not, should have fair treatment. But I do insist very strongly that our steamship companies which are receiving subsidies ought not to be able to go to Japan and China to get cheap labour, to the detriment of our own Canadian citizens.

A few months ago I happened to be travelling on both Japanese and Canadian liners on the Pacific, and I noticed that the Japanese employed almost exclusively their own nationals whereas the Canadian Pacific employed a very large proportion of Chinese. There seems to be no reason whatever for such a condition. Further than that I am informed that very frequently when repairs are needed on these boats travelling between Vancouver and the orient the repairs are postponed until the boats reach the orient. Sometimes the repair materials are taken on board at Vancouver and carried over and Chinese workmen do the job in Shanghai. Some provision should be inserted to prevent a practice of that sort, which is one means whereby our own Canadian workmen are done out of jobs.

Having stated my position, and rather taking exception to one of the whereas clauses, I can very heartily vote for the proposal put forward by the hon. member.

At six o'clock the house took recess.

After Recess

The house resumed at eight o'clock.

Hon. R. J. MANION (Minister of Railways and Canals): Mr. Speaker, I do not intend to take up much of the time of the house on this question. I have listened to the debate thus far and I have listened particularly to the presentation of the case by the hon. member for New Westminster (Mr. Reid). The principle which he expounded is one with which I think the whole house will agree inasmuch as every hon. member I presume desires that Canadian labour so far as possible should be given the preference on all work done in or connected with this country either by subsidy or otherwise. At the same time the question is not quite so simple as merely the expounding of a principle. There are complications to it, complications in regard to labour itself, transportation, competition for example. My hon. friend, merely to mention one difficulty, stated that Japanese seamen are the lowest paid in the world, yet on the Pacific coast it is quite obvious that Japanese ships are the ones which compete with the very ships about which my hon. friend has spoken. I am simply elucidating the case; I do not want it to be understood that I am opposing the resolution or the principle behind it. I am merely pointing out the complications, and other complications exist such as national and international questions dealing with shipping, which questions cannot to my mind be decided by the House of Commons any more than other questions such as freight rates in the country or matters of that kind can be decided by this house. Therefore, while I am not arguing against or opposing the resolution, I do suggest to my hon. friend with the best intentions in the world that we should submit this to a committee of the house, the committee on industrial relations, with the object of hearing all sides of the question. I have had submitted to me since my hon. friend put the resolution on the order paper, and I assume other hon. members on both sides, perhaps on all sides, have had submitted to them arguments against the resolution by some of the shipping companies, pointing out why, to their minds at least, they cannot carry out, in any case in toto, the proposal submitted by my hon. friend. I think it would be only fair in dealing with a question of this kind to give those companies an opportunity to appear before a committee of the House of Commons and to submit their side of the question. Therefore, without delaying the matter at all, I should like to move in amendment:

That all the words after "that" in the last paragraph be deleted and the following substituted therefor: "the resolution be referred to the standing committee on industrial relations."

The effect of the amendment is merely to submit the matter to the standing committee on industrial relations, to let all parties appear before that committee and to let it make its report to the House of Commons.

Mr. NEILL: For investigation and report.

Mr. MANION: That is obvious.

Hon. IAN MACKENZIE (Vancouver Centre): I want to congratulate the hon. member for New Westminster (Mr. Reid) for presenting a forceful and cogent case to the house this afternoon in regard to this very important matter. I also wish to congratulate the Minister of Railways and Canals (Mr. Manion), who this year is speaking in regard to this subject, for meeting my hon. friend at least half way in his request. I have not so far consulted my colleagues, but to my way of thinking the minister is eminently fair. We on the Pacific coast consider this a sincere and earnest grievance and such is the feeling of all the people of British Columbia. We want to give our white seamen a chance, and a very important principle is at stake, that is, when a government subsidy is given to a shipping corporation we feel that our white seamen should be given a preference over any others. If the minister means that this committee will make a report to the house at the present session, I shall be prepared with the concurrence of my colleagues to accept the minister's amendment. Such a procedure on the part of the government will be welcome news to our people in British Columbia and to the hundreds of white seamen who at the present time are unemployed at New Westminster and other ports of British Columbia. So far as I am concerned, I am glad to accept the minister's amendment.

Mr. THOMAS REID (New Westminster): I join with the hon. member for Vancouver Centre (Mr. Mackenzie) in saying we are very glad that the minister and the government are meeting us half way. I would have just this request to make to them, that in the matter of a committee the appearance of the shipping interest is very easily brought about, but while there are in this chamber able champions of the interests of the seamen; on the other hand on account of expense it

would be very difficult for seamen to appear before the committee. They would be willing to come, but that difficulty might arise.

Mr. MANION: That matter will be in the hands of the committee.

Mr. REID: With that, I am very glad the government has seen fit to meet us half way.

Mr. NEILL: Will the minister allow the words "for investigation and report" to be added to his amendment? It is no use to refer the matter to the committee unless they report.

Mr. MANION: I think that is understood in any reference to a committee. That is entirely in the hands of the committee. That is certainly my intention, but I do not think it is necessary to add the words to the amendment.

Motion as amended agreed to.

FARM MORTGAGES

PROPOSED AMENDMENT OF CANADIAN FARM LOAN ACT TO REDUCE RATE OF INTEREST

Hon. J. C. ELLIOTT (West Middlesex) moved:

That, in the opinion of this house, the Canadian Farm Loan Act, and the Canadian Farm Loan Amendment Act, 1934, should be so amended as to make the rate charged on farm loan mortgages four per cent per annum instead of the rate now charged.

Hon. HUGH GUTHRIE (Minister of Justice): Mr. Speaker, I rise to a point of order. Under government notices of motion there is a notice of motion by the Minister of Finance (Mr. Rhodes) raising practically the same question that is raised in this motion. According to a decision of the house made, I think, last session or the session before, such a motion cannot be moved when a government notice of motion dealing with the same matter is standing on the order paper. This is a rule of the house; I have forgotten the number.

Mr. LAPOINTE: Which was on the order paper first?

Mr. GUTHRIE: I do not think that matters.

Mr. VENIOT: It may be a rule of the British house; it is not one of this house.

Mr. GUTHRIE: I think it is a rule of this house. I refer to a ruling in regard to a resolution proposed in the session of 1932-33 by the hon. member for Quebec South (Mr. Power). Although the hon. member's proposed resolution was on the order paper dated November 9, 1932, Mr. Robertson's bill on the same subject dated November 10, was given precedence, a bill always having precedence over a motion, to prevent the opposition from defeating legislation by anticipation. The quotation is from Campion, page 152. The question whether it is a resolution or a bill is of no account; the resolution is the foundation of a government bill on the subject. It is on that point I raise the question of order.

Mr. ELLIOTT: In this case the fact is that the motion which I now desire to move was on the order paper some days before the house met. The other resolution I think appeared only for the first time yesterday. That is material in considering a case of this kind.

So far as the precedent quoted by the Minister of Justice (Mr. Guthrie) is concerned, I submit it has no application to the present situation. I think that decision went quite as far as it should have gone; however, it is on the records of the house. The point there was that while a bill was on the order paper dealing with a certain subject no resolution dealing with the same subject could be proceeded with. That is a very different thing from a resolution such as that which now appears on the order paper at the instance of the Minister of Finance (Mr. Rhodes). There may be nothing in the bill when it is introduced following the resolution in the name of the Minister of Finance bearing at all on the subject of the resolution which I am proposing. Mine is a definite motion; let me read it:

That, in the opinion of this house, the Canadian Farm Loan Act, and the Canadian Farm Loan Amendment Act, 1934, should be so amended as to make the rate charged on farm loan mortgages four per cent per annum instead of the rate now charged.

There is nothing whatever in the notice of the resolution of the Minister of Finance to indicate that that question is to be dealt with. There is a suggestion that something will be said about it. A bill is the only precedent Your Honour has, and ordinarily priority is given to the resolution that appears on the order paper first. For both these reasons or either of them this motion is in order.

Mr. MACKENZIE (Vancouver): On the point of order raised by the Minister of Justice (Mr. Guthrie) I submit with deference that the precedent of 1933 does not rule. What happened then was that a bill was called on the orders of the day before the resolution standing in the name of the hon. member for Quebec South. This case is different. The motion of my hon. friend has been actually called and is now before the house. The

mere fact that the government has a resolution on the order paper, put there yesterday, does not affect the validity of the motion of my hon. friend. According to the orders of the day the resolution of a private member must have precedence over the government's motion. Otherwise the effect would be that any government, by looking over private members' resolutions on the order paper, could immediately give notice of a motion and make it impossible for a private member to move any motion. That to my mind is an utter absurdity. If we had had a government resolution called preceding that of my hon. friend, the point of order I think would be well taken. If we had a bill on the order paper preceding that of my hon. friend, the point would be well taken. But here is a resolution properly called, and the mere fact that there is a notice of motion by the Minister of Finance cannot affect the validity of the resolution moved by the hon. member for West Middlesex (Mr. Elliott).

Mr. SPEAKER: I anticipated before the house rose at six o'clock that some question might be raised as to the calling of the motion standing in the name of the hon. member for West Middlesex (Mr. Elliott), so I took the opportunity during recess of looking up one or two authorities. I must confess that the matter is not without some doubt. At the same time the authorities are fairly clear to the effect that the motion standing in the name of the hon. member for West Middlesex is out of order under the anticipation rule. I should first like to quote from Campion, Introduction to the Procedure of the House of Commons, page 152, under the heading Anticipation in Debate. Before referring to the paragraph which I shall quote, let me say that I do not think there can be any question of doubt as to the similarity of material in the two motions, that standing in the name of Mr. Elliott, and the one which subsequently appears on the order paper. To quote from Campion:

> The anticipation rule, which forbids discussion on a matter standing on the paper being forestalled, is dependent on the same principle as that which forbids the same question being twice raised in the same session. In applying the anticipation rule preference is given to the discussion—

And I think emphasis might be placed on the following words:

> —which leads to the most effective result.

To continue:

> And this has established a descending scale of values for discussions—bills, motions, amendments, etc. Thus a bill or other order of the day must not be anticipated by (or more shortly blocks) discussion of a motion, amendment, or subject raised on another motion, such as that for the adjournment of the house. A motion standing on the paper for leave to bring in a bill blocks discussion of a motion (except for the presentation of a bill), amendments, etc. Any substantive motion standing on the paper blocks the discussion of an amendment, etc. An amendment on the paper blocks the raising of its subject in debate.

Frankly, one question rather worried me, as to what "bill" meant in Campion. In order to follow that up somewhat I find a precedent in May to this effect—see 341 House Debates, 35-762:

> The fact that a bill has not been printed does not withdraw it from the operation of this rule.

The Speaker's ruling on that occasion was as follows:

> The hon. member cannot move the amendment which stands in his name because it raises a discussion of a bill of which notice has already been given by the government.

I take it that the item appearing on the order paper under the head of Government Notices of Motions, standing in the name of the Minister of Finance, is tantamount to a notice such as is referred to in the authority which I have just given. I take it that the word "bill" in Campion is used in the widest sense, embracing the various steps through which a bill must pass before it is finally approved by this house. The first step taken in connection with the bill under consideration is the step set out on the order paper. With the very greatest deference to the opinions which have been expressed to the contrary, I rule that the motion standing in the name of the hon. member for West Middlesex is out of order.

Mr. ELLIOTT: Your honour, I regret that you have come to that decision, but I see that you have arrived at it after having given the matter careful consideration. While I cannot say that I agree with your ruling, I bow to it and do not desire to appeal from it.

TRADE WITH THE UNITED STATES

PROPOSED RECIPROCAL ARRANGEMENT FOR EXCHANGE OF NATURAL PRODUCTS

Mr. WILLIAM DUFF (Antigonish-Guysborough) moved:

> That, in the opinion of this house, it is expedient that the government of Canada reopen negotiations with the government of the United States of America with a view of bringing about a satisfactory reciprocal trade agreement between Canada and the United States, whereby the natural products of Canada, that is, the products of the sea, the farm, the mines and the forests, and including fish, lumber,

wheat, cattle, etc., should have free entry into the United States in exchange for the admission of certain goods from the United States of America, which in the interests of both countries may be admitted into Canada, free from customs tariffs.

He said: Mr. Speaker, with your consent and the consent of the house, for reasons which I need not explain at the moment, I should like this resolution to stand. Having regard to what has happened in the last few days, with the president of the United States signifying his willingness to discuss with the government of this country a reciprocal trade agreement, perhaps under the circumstances the house will agree that it might be better not to proceed with the resolution at this time. I am also anxious that we should proceed with the other business which we are told is to come before the house, and for these reasons I ask your honour to allow this resolution to stand.

Motion stands.

CANADIAN NATIONAL RAILWAYS

PROPOSED CONSIDERATION OF CAPITAL STRUCTURE BY BOARD OF TRUSTEES

Mr. A. E. MUNN (Vancouver North) moved:

Whereas, the attention of this house has been drawn by the royal commission to inquire into railways and transportation in Canada to the urgent necessity which exists for an early consideration of the capital structure of the Canadian railways (section 84-87 of that report):

And whereas, that commission recognized that a very substantial part of the money invested in the railways comprised within the Canadian National Railway system must be regarded as lost, and that its capital liabilities should be heavily written down, although the said royal commission did not deem the time opportune when making the said report to deal with this important matter, but suggested that the same receive early consideration by the board of trustees;

And whereas, a board of trustees has been appointed by the government;

Therefore be it resolved, that in the opinion of this house, it is of vital importance that the attention of the board of trustees of the Canadian National Railways be directed to this matter, and that this house deems it highly desirable that the said board of trustees shall consider this question and report thereon with the least possible delay as being of vital and primary importance in the interests of all concerned.

He said: Mr. Speaker, this resolution speaks for itself. I introduced this question during the session of 1934; there was very little debate and eventually it died on the order paper. This year I should like to have this matter discussed by hon. members generally. Every year we have this matter of the deficit of the Canadian National Railways thrown up to us, and it is not fair. It is not fair to the people of Canada or to the employees of the system. The money has been lost; the capital assets should be written down. You could easily write off perhaps a billion dollars, and charge it to profit and loss where it belongs. If you did that even to-day the Canadian National Railways would be able to carry its load.

We have a similar case in British Columbia; we have a little railroad with which most hon. members are familiar. I refer to the Pacific Great Eastern railway. To-day the capital structure of that railway is $74,000,000. I have been over every foot of the line; I know the country well, and I estimate the replacement value at possibly $20,000,000. Why should the capital be continued at $74,000,000 when it is worth only $20,000,000, or $25,000,000? If that were written down even that road would pay its way. So I say that in all fairness to the people of Canada, to the shippers, to the employees and to everyone else, this question should be considered very seriously.

This is a big question. Our railways represent the greatest financial problem we must face to-day, and I plead with hon. members of the house to discuss the matter. Let us hear from other hon. members. This is a reasonable business proposition. I am not introducing the matter from any political motive; I am doing so in fairness to the Canadian National Railways.

I need not take up the time of the house at any greater length, but I should like hon. members to pay some attention to and consider this matter for a short time. I may be all wrong in my views; if I am I should like to have it pointed out to me. I still say, however, that if the capital were written down a billion dollars or more there would be no deficit on the Canadian National. I am speaking of the railways, not of the hotels or steamship lines. I plead earnestly with hon. members to say whether I am right or wrong in my argument.

Hon. R. J. MANION (Minister of Railways and Canals): Mr. Speaker, I have read this resolution a number of times with some care, and without meaning any disrespect to my hon. friend I do not see that it is of any practical use whatever. There seems to be so much misinformation in regard to this whole question. If I understood my hon. friend aright he suggested that if we recapitalized the Canadian National railways, writing down the capital by a thousand million dollars, in some way or other we might avoid the yearly deficit.

Mr. MUNN: Set up the capital structure to measure up with your assets.

Mr. MANION: If we set up the capital structure of the Canadian National Railways to-day so as to measure up to our earnings we would not only have to wipe out a thousand million dollars—

Mr. MUNN: I did not say that; I said your assets.

Mr. VENIOT: The physical value.

Mr. MANION: Perhaps I might finish my sentence. If we set up the assets of the Canadian National railways in such a way as to be proportionate at all with the earnings to-day we would have to wipe out a thousand million dollars owing to the government, plus another four hundred million dollars carried on the books of the company as owing to the government, plus practically the whole of the $1,255,000,000 owing to the public investors of the country. It is true that there was a time, in 1928, the peak year, when the Canadian National Railways did earn sufficient to pay the interest of that day. During that year, when world business was booming, the Canadian National did a gross business of $304,000,000, and the net, in other words the profit available for interest amounted to $44,000,000. In other words the sum of $44,000,000 could go towards the payment of interest, and as the interest in 1928 amounted to $41,000,000, in that year the Canadian National railways had a profit, over and above the payment of interest, of $3,000,000. That and one other year, namely 1926, were the only two years in which the Canadian National Railways earned sufficient to pay the interest in the corresponding year. But it must be pointed out that while in 1928 the Canadian National system earned sufficient to pay the interest at that day, which was $41,000,000, it was vastly too little—if I may use what may appear to be a contradiction in terms—to have paid the interest of to-day, because the interest of to-day owing to the public—and this has nothing to do with the interest owing to the government—instead of being $41,000,000 as it was in 1928 is in fact $57,000,000. So it is obvious that even if the Canadian National Railways had obtained in 1934 the volume of business it had in 1928, or if it had the same net earnings, or the same amount to apply on interest, it would still be $16,000,000 short of paying the interest.

I point that out first so that hon. members may understand the situation. I am not arguing against the trustees dealing with this matter, but there has been so much misinformation and misunderstanding concerning the whole problem that I shall endeavour during a few moments this evening to explain the situation as clearly as I can. I do this more for the public than for the house because I am quite sure every hon. member understands the situation thoroughly. However there is a great deal of misunderstanding outside this chamber. For instance quite recently I received a letter from a gentleman suggesting that if we would cut the interest on Canadian National Railway bonds owing to the public from six per cent to a reasonable figure we would save an amount sufficient to pay the deficit on the railway system. Well, his first mistake is that the average interest is not six per cent; in 1934 it was exactly 4½ per cent. He was wrong from that angle. Again and again I see the statement in letters appearing in the newspapers, and sometimes in editorial comments, that if we would recapitalize the Canadian National system by wiping out the government debt we would be putting the Canadian National in a position to carry itself. I repeat that we would have to wipe out the whole government debt, and then we would not get the desired result because the government debt has been accumulating for years. Never in all the years the Canadian National Railways have been in existence has one cent of that government debt been paid off or one cent of the interest on the government debt been paid to the government by the railways. So that even if we wiped out the whole $1,490,000,000, the amount which the Canadian National books show as owing by the railways to the government—I repeat, if we wiped out that sum, amounting to nearly a billion and a half dollars, and if we eliminated it for all time from the books of the Canadian National Railways, it would have no effect whatsoever upon those railways as a going concern. We would still have exactly the same amount of interest to pay to the public who have invested their money—millions of dollars of it—in the bonds of the Canadian National Railways.

In other words there are two debts owing by the Canadian National Railways. First there is the debt about which I have been speaking, namely the one owing to the government and amounting to $1,490,000,000 including interest and other charges. May I say that it is debatable whether or not some of those charges should be charged against the railways, but the fact is they do appear on the books of the company. We must remember that more than half of the $1,490,000,000 owing to the government went into the building of the Canadian National railways as they

stand to-day. For example, it went into the building of the Intercolonial railway; it went into the building of the Prince Edward Island railway; it went into the building of the National Transcontinental railway, and it went into additions and betterments of various other branches which the Canadian National system took over at various times throughout the years under different governments. That is the debt upon which, as I have said, nothing has ever been returned to the government either in capital expenditure or in interest. So that has never been anything but a bookkeeping charge against the Canadian National Railway. To-day the interest upon the debt upon which interest is charged amounts to something over $30,000,000 per annum, but it is only a bookkeeping entry and it has never been paid. I want that clearly understood.

Mr. HANBURY: But it is very often quoted.

Mr. MANION: Yes, it is often quoted, but I doubt if the quoting does any particular damage to the railway.

Mr. HANBURY: It does not do any good.

Mr. MANION: It does not do any good, but it is true. I do not know that there can be any advantage in hiding an absolute truth, and I do not think the Canadian National system would be better off from having hidden something from the people of the country.

May I interject that to-day the railways are to my mind efficiently and economically handled, and I do not think they would be any more efficiently and economically handled if that figure were wiped off the books of the company. I do not think that feature has ever made an atom of difference in the handling of the railways either in the past or in the present. It is merely a bookkeeping entry and keeps the picture straight, so far as that figure of $1,490,000,000 is concerned. Some of the charges I think might well be wiped out without doing any damage; anybody will know that some of the charges should not be considered.

The other debt—and this is the debt which counts—is the long term debt owing to the public amounting to $1,255,000,000. That amount is owing to the bondholders in England, the United States and Canada. A large proportion of the bonds, probably from seventy-five to eighty-five per cent, are guaranteed by the people of this dominion, and the only way by which the $57,000,000 of interest upon those bonds can be lowered is by refunding, as is being done from time to time, or by repudiation. The government of Canada is the guarantor of those bonds, and in addition the bonds are a mortgage upon the lines of railway in the Canadian National system. That is really the only debt which counts, namely the debt owing to the investing bondholders. I should like to have that point clear, and, as I have stated, I make it for people outside this chamber rather than hon. members. By no method of bookkeeping could any part of that $57,000,000 of interest, the part which makes the real deficit, be wiped out, except by absorption into the consolidated debt of the Dominion of Canada. That is the only way it could be done. In other words to have an effect to the extent of one cent upon the Canadian National railways one would not only have to wipe out the first debt which I have mentioned, the government debt, and absorb it as most of it has already been absorbed into the national debt of Canada, but in addition one would have to wipe out part of the debt of $1,255,000,000 which is owing to the bondholders in various parts of the world.

Mr. MUNN: What objection would you have to that?

Mr. MANION: I do not know that I have any particular objection, but I shall give reasons why I think the hon. member's resolution is at least to some degree hasty. I do not use that term offensively, but if the hon. member will permit I will endeavour to explain what I mean. I am endeavouring simply to make clear in the public mind the financial position of the railways.

At this point may I emphasize another fact. Sometimes the statement is made by hon. members and sometimes by the public generally that if we could wipe out or recapitalize the Canadian National Railways—and I must observe that what is meant by recapitalization is not clear—we could improve the situation of the employees, the shippers and the federal situation generally. I think hon. members will understand that those points are not really affected by the bookkeeping entry which has existed for years. We must remember that after all we should have a set-up before the minds of the Canadian people concerning the cost of railways in general and the Canadian National Railways in particular. There is no reason why we should hide the facts. If we did hide the facts there would be the disadvantage that once again we would have the probability of all governments, if you like, and all parties forgetting the errors of the past and encouraging greater expenditures of one kind and another. There is this to remember, that in that government debt there are entries which to my

mind will ultimately have to be wiped out and so far as that goes I agree with my hon. friend. For example, the Intercolonial railway was not built as a financial proposition at all; it was built for national and intra-empire reasons. It was built for the sake of rounding out confederation, linking up Halifax and the east with central Canada, and therefore something must be charged up to the country generally of that cost of the Intercolonial railway which is included in the debt owing to the government. Then there was the transcontinental railway and various branch lines that were built. Some of them were built for colonization purposes, some to assist settlers in various parts of Canada, just as my hon. friend from Peace River (Mr. Kennedy) urges at the present time that we should build an outlet from the Peace River section to the coast, even if it did not pay its way, in order to serve the people who are living in that very fine but rather far-off section of Canada.

Then again we bought various railway lines which became a charge upon the Canadian National Railway and, through the Canadian National Railway upon the Dominion of Canada. The purchase of some of these lines was certainly brought about by political and public pressure. Certain sections of the country, in fact nearly all sections that had small railway lines, pressed sufficiently hard to get the government or the Canadian National to absorb those lines into the Canadian National system, and so far as public pressure and political pressure was responsible for that result and thereby laid a charge on the Canadian National Railway just so far should a certain amount of that cost ultimately be absorbed into the public debt of Canada. I am giving my own viewpoint at the moment.

In conclusion, I would point out that according to the report of the Duff commission what my hon. friend seeks by his resolution has already been carried out because the Duff commission in their report, speaking of the financial set-up, said:

> This question as well as that previously referred to, dealing with the present involved financial structure of the Canadian National system, should, in the opinion of the commission, have the early attention of the board of trustees, which it is recommended should be entrusted with the control and management of the system.

Therefore since the board of trustees was appointed just a little over a year ago it is obvious, if they are carrying out their duties, and I presume they are, that they are studying this question, and as soon as they feel capable of submitting a report upon it through the railway committee to the House of Commons they will submit that report. I do not think anything is being lost by waiting or that anything is to be gained by haste in this matter. I believe we might well allow the board of trustees as at present constituted to study the whole question thoroughly and submit their report, as soon as they have come to a conclusion upon the matter, and then the House of Commons will be able to deal with the whole question.

In the meantime I suggest to my hon. friend that having brought this question before the House of Commons, and having submitted his reasons for thinking that a little greater haste should be made by the board of trustees than is being made, he might be willing to withdraw his resolution because to my mind there is nothing to be gained by passing it, and on the other hand I think there is something to be gained by allowing the board of trustees, who have many important questions to deal with to take their time in studying what my hon. friend calls this very vital question and making their submissions upon it. I would therefore again suggest to him that he withdraw his resolution after whatever discussion may take place upon it in the house, and I assure him that the resolution will be drawn to the attention of the board of trustees who, I have no doubt, will in the near future make a report on the question to the House of Commons.

Mr. MUNN: Might I ask if the board of trustees are now considering the advisability of cutting down the capital structure? Does the minister know that for a fact?

Mr. MANION: Although I have no direct information regarding it, I have no doubt they are. They were asked by the Duff commission, under whose report they were really appointed, to give their earliest possible attention to the subject, and I have no doubt that they have been giving it a good deal of attention. If my hon. friend, who is on the special railway committee, will permit me to remind him, the auditors last year in their report made a number of suggestions, but that auditors' report was not included in the report of the board of trustees. But the board of trustees will be making a report in the near future when the special committee on railways and shipping meets. Some reports have already been requested of them, and it is quite possible that at that time they may be submitting some suggestions on this question.

Mr. WILFRED HANBURY (Vancouver-Burrard): Mr. Speaker, with most of what the Minister of Railways (Mr. Manion) has

submitted to the house I can express myself in agreement because everything he has said has been a reason why this rewriting of the financial structure or revaluation should be carried out.

The minister gave as his only reason why we should not act on this resolution at the present time the fact that instructions were given to the board of trustees by the report of the Duff commission that they should investigate this question and make a recommendation to parliament. But I would suggest to the minister that he note the particular terms of the resolution, which asks "that the attention of the board of trustees of the Canadian National Railways be directed to this matter." That is what the resolution of the hon. member for Vancouver North (Mr. Munn) asks, that this house should draw the attention of the board of trustees of the Canadian National Railways to the matter. That has already been suggested by the Duff commission. The hon. member for Vancouver North thinks it is a matter of vital importance. I agree with him in that respect, and by his remarks to-night the minister shows that he also agrees with him in that respect.

The minister has pointed to the fictitious valuation of the Canadian National Railways as carried on the books of the railway company. That fictitious valuation lends itself day after day throughout Canada to misrepresentation either by those who are opposed to the public ownership of the railway or by those who are anxious to show that the Canadian National Railway is doing worse than it is actually doing, or that the Canadian Pacific Railway is suffering under a great handicap by virtue of the competition of this publicly owned railway. All of these things may be true, but I suggest that the railway has an actual value. It is probably not the value of what we owe outside, not the value of the bonded indebtedness, of what is owing to the Canadian people; it is probably more than that; it may be less, but it has an actual value of some kind, and that valuation cannot be based on its earnings as the minister suggested might possibly be done. If the industries of Canada were to have their valuation based on their earnings to-day there would be very little value in many of them. For that reason I suggest seriously to the minister that he do not ask the hon. member for Vancouver North to withdraw his resolution. We are asking the board of trustees, as trustees for the Canadian people, to place the property on a proper valuation, so that we can accurately visualize what is taking place year by year, instead of maintaining a valuation which we all know to be fictitious. We can get no exact information so long as we maintain this fictitious valuation and so long as we are told that the deficits of hundreds of millions are bookkeeping entries. Let us get away from these bookkeeping entries and get down to business.

Mr. MANION: Might I just ask the hon. gentleman, in view of his statement in regard to not basing the valuation of industries in Canada upon their earning capacity to-day, upon what he would base anything like a just valuation of the Canadian National Railways under present world conditions? That is one of my chief reasons at the present time for submitting that we could not come to a sensible conclusion, and I do not believe that, under present business conditions, the board of trustees could reach such a conclusion on the matter.

Mr. HANBURY: I fully appreciate the representation just made by the minister; it would be a very difficult thing to do. But if it were not difficult this resolution would not be necessary. We have a board of experts who are quite capable of considering all the features which the minister has pointed out, and we are asking them to place the business on a sound basis on which we as shareholders can judge it. We are told year after year that we are millions upon millions behind, but we do not know what it means because the bookkeeping is erroneous. Let us therefore get down to sound bookkeeping. I again suggest to the minister that he do not ask the hon. member to withdraw the resolution but rather allow it to pass so that we may get down to a sound basis.

Hon. P. J. VENIOT (Gloucester): I wish to say a few words on the subject, but before I do so I should like the Minister of Railways (Mr. Manion) to answer a question based on the remarks he has just made. Do I understand that the acquisition of the Canadian Northern and branch lines and the Grand Trunk, those lines taken over to prevent them from going into bankruptcy, involved the guaranteeing of bonds by the Canadian government for the Canadian National Railways? Did the Canadian government guarantee bonds to the public in the taking over of these lines?

Mr. MANION: Take the Grank Trunk for instance. Certain of the securities were acceptable; others were submitted to arbitration and were held to have no value. The

ones to which a value was attached were accepted by the government of the day and the interest guaranteed in perpetuity. Those are a charge on the government and the railway.

Mr. VENIOT: As I understand the situation, many of the provinces, especially in the west, having guaranteed certain bonds in connection with the Canadian National and other lines taken over, those guarantees were accepted by the federal authority.

Mr. MANION: Most of them have been absorbed by the federal authority.

Mr. VENIOT: Therefore those are outstanding debts due to the public.

Mr. MANION: A great many of them, yes.

Mr. VENIOT: Well, those are the kind of debts in connection with which a recapitalization of the Canadian National Railways is sought.

Mr. MANION: But those are the ones upon which the railway is charged interest, which the government is paying.

Mr. VENIOT: Yes, but I claim that the railways should not be charged interest at all on these advances, because the government of this country, in the interests of Canada as a whole, and to save the credit of the country, took over the railways during the war when they were going into bankruptcy. The government having done that, this should not be a charge against the Canadian National Railways as constituted to-day. That is the point I make, and it is one of the reasons why, I submit, recapitalization should be looked into by the board of trustees or by the railway commission. I submit therefore that this motion is perfectly in order when it asks that the matter be now considered by the board of trustees.

Mr. MANION: It is being considered.

Mr. VENIOT: I doubt it, and I think the minister himself has his doubts.

Mr. MANION: I have doubts as to when they will make their report.

Mr. VENIOT: If this motion were accepted I think it would hasten the report.

There is another point in connection with the minister's statement which I would discuss for a moment. He said that the cost of the Intercolonial railway is included in the debt due by the Canadian National Railways to the government of Canada. Well, this is news to me and I know it will be news to every hon. member from the maritime provinces who knows anything about the terms and agreements under which those provinces came into confederation.

Mr. MANION: It appears in every annual report and has been in the Canadian National balance sheet as long as I can remember, in the eighteen years that I have been in the House of Commons.

Mr. VENIOT: I hardly think the Canadian National Railways has existed that length of time. At any rate it is news to me, and had I been aware of it before, I would certainly have raised the objection which I am going to state now.

Mr. MANION: There is no interest charged upon it.

Mr. VENIOT: I know. But the old Intercolonial railway was built as a bond of confederation and no charge was to be held against it in the operation of that railway as a freight or passenger carrier. And to be told at this late date that it is charged on the books of the government against the Canadian National Railways is certainly news. I should like to know when it was transferred from a non-chargeable asset, if I may use that term, to a chargeable asset. We came into confederation under an agreement, and one of the conditions of that agreement was the construction of the old Intercolonial railway from Levis to Halifax, in order to give the provinces of Quebec and Ontario an outlet to the Atlantic coast. Under that agreement of confederation there was no right to charge that amount against the physical value or the operation of the Intercolonial railway, and to-day, when the maritime provinces are looking, as they have looked in the past, for what are called better terms, if I am to take at its face value what the minister says, we are to be met with this charge, "We obtained this road, involving so much money for the construction of a railway that we did not seek."

Mr. MANION: I will read for the information of the hon. gentleman the clause that appeared in the annual report of the Canadian National Railway system during all the years that he was a member of the government:

> Dominion of Canada expenditures for Canadian government railways:
> Road and equipment included in system investment account, $387,606,701.71.

That was part of the bookkeeping of the Canadian National Railways during all the nine years that my hon. friend was a member of the government.

Mr. VENIOT: That does not make it any better.

Mr. MANION: I will admit that.

Mr. VENIOT: It was made a charge in that way in 1912 under the Conservative government of the day by the then Minister of Railways, Mr. Cochrane.

Mr. MANION: The Canadian National Railways did not exist then.

Mr. VENIOT: I did not say it was made a charge against the Canadian National Railways but against the old Intercolonial railway as a debt due to the federal government.

Mr. MANION: It has been in the books of the government ever since the Intercolonial was built.

Mr. VENIOT: No, it has not.

Mr. MANION: I say it has.

Mr. VENIOT: Not as a direct charge against the Intercolonial railway; it has not been a charge in the way the minister says. Now I wish to protest, if it is not too late, even if I appear to have been derelict in my duty in the past, when a minister of the crown, and even if it appears that the Duncan commission did not discover that item to be a charge in the way suggested—I wish to protest, I say, when the maritimes are now laying their case before a royal commission appointed by this government, against any charge being made against the Intercolonial railway by the federal government as a debt due to the federal government for the construction of that road. We came into confederation at the call and the request of Ontario and Quebec. We were doing very well by ourselves before we came into confederation—and I am not opposed to confederation, as I said once before. No matter what we think it may have brought us, I for one am still a warm supporter of confederation. But let me say to the house and to the Minister of Railways that long before Ontario and Quebec knew what railway construction was, we in the maritimes were building railways for our own business; and under the terms of confederation we handed over those railways to the federal government to help Ontario and Quebec. They told us at that time that they had no Atlantic outlet; that they were at the behest of the United States lines; that the United States lines had a monopoly and that they had to transfer their freight from the old country to the United States railroads. In order to show their loyalty to the old country they appealed to our loyalty to come into a confederation and if we did so they would guarantee construction of the Intercolonial railway from Levis down to Halifax, taking in at that time what they called the old eastern extension and other roads running from Shediac to Saint John, from Saint John to Moncton, from Truro to Halifax and, although I may be in error in this, from Truro to Pictou Landing. That being the case, why should we to-day stand for having the cost of that road charged up against the Intercolonial railway as a debt to the dominion government?

Mr. MANION: Would my hon. friend permit me? I know he is endeavouring to clear up the issue as I endeavoured to do, although if my hon. friends had permitted me to speak last as I had intended, I would have dealt more fully with some of the statements. Does he not consider it fair, when the Intercolonial was handed over to the Canadian National Railways, that it should be entered up as part of their assets and naturally as a charge against the Canadian National Railways to whom the original government railways were handed as a going concern.

Mr. VENIOT: The Intercolonial was never handed over to the Canadian National.

Mr. MANION: For operation.

Mr. VENIOT: It never was. The Intercolonial is not to-day a part or parcel of the national railways.

Mr. MANION: It is operated by them.

Mr. VENIOT: Only for administrative purposes. In 1919 an order in council was passed in which it was stated that the directors of the Canadian National Railways as then organized would be the administrators of the old Intercolonial railway. The accounts of the old Intercolonial railway, if not from Montreal down through Levis and on to Halifax, at least from Levis before the Drummond road was taken in as an extension of the old Intercolonial—at least from Levis to Halifax, Sydney and New Glasgow—are kept separate and apart; they are not in the general accounts of the Canadian National Railways at all. That is the reason why in the question I put on the order paper I asked for information so that I and other members from the maritimes might be in a position to hurl back into their faces the statement of those who say that the Intercolonial has been a sinkhole in the past. I wish to have that information and I am told that it will be brought down, not by the ordinary method but by a return. When shall I get that return

in order to defend the position of the old Intercolonial? I wish to hurl back their statement into the faces of those, especially from Ontario, who say, for the purpose of effecting an amalgamation of the Canadian Pacific and the Canadian National, that the Intercolonial has been a sinkhole. I want to show by this information that the Intercolonial had surplus upon surplus year after year. In some years there were deficits. I remember that when the old Intercolonial railway was the most prosperous, freight rates were the lowest. It was not until 1912 that the agreement under which we came into confederation was departed from when, the late Hon. Frank Cochrane, then Minister of Railways, increased the freights on the old Intercolonial railway to make them correspond with all the freight rates west of Montreal. After the Grand Trunk Pacific passed down through the province, it is true that freight from the northern section was in many cases diverted from the old Intercolonial railway and in that way deficits did occur. If hon. members will examine the record of what is known as the Atlantic region of the present Canadian National railway system, what will they find? They will find that within the last two years, whatever increase there has been in carloadings the greater majority has been over the Atlantic region of the Canadian National, which is the old Intercolonial. To think we, down in the maritimes, have to stand the brunt of the arguments advanced by members from the two old provinces that dragged us into confederation, when they say that we gave Canada a railroad that is nothing but a sinkhole!

Let me draw the attention of the house to the further fact that the old Intercolonial railway is 225 or 250 miles longer to-day than was anticipated when the fathers of confederation asked the maritimes to come into this association. It was not the will of the maritime provinces that brought about the difference in length of that railway. We were forced to go down by the northern route instead of down the valley of Saint John and across close to the northern section of the state of Maine. The imperial government interfered and for the sake of military strategy they said to the confederation at that time, that is, Ontario, Quebec and the two maritime provinces, Nova Scotia and New Brunswick: We desire that this line shall be built such and such a distance from the United States border in case of trouble with the United States so that our railroad will be safeguarded by distance. The imperial government, in order to induce us to do this, paid a contribution of I forget how many million pounds to aid in the construction of the old Intercolonial railway. It is a wonder to me that those who are instrumental in making that charge an amount due to the government by the old Intercolonial railway did not make that payment or contribution of the home government a charge against the Intercolonial as well. Indeed, that may have been done; I am not too sure that it has not. It may be worth while looking into the matter before we get through with this question.

A great deal more could be said in connection with this railway matter but I am going to defer any more remarks I have to make until I have received the information for which I have asked.

Mr. JEAN-FRANÇOIS POULIOT (Témiscouata): This is indeed one of the least contentious motions that has ever been submitted to the House of Commons. The hon. member for Vancouver North (Mr. Munn) does not ask the house to define or state any policy; he only expresses the wish that the house submit a certain matter to the trustees of the Canadian National Railways; that is all we find in this resolution. The first paragraph contains a statement of fact. It reads thus:

> Whereas, the attention of this house has been drawn by the royal commission to inquire into railways and transportation in Canada to the urgent necessity which exists for an early consideration of the capital structure of the Canadian railways (section 84-87 of that report):

This nobody can deny. It is a statement of fact, and that fact is admitted.

> And whereas, that commission recognized that a very substantial part of the money invested in the railways comprised within the Canadian National railway system must be regarded as lost, and that its capital liabilities should be heavily written down, although the said royal commission did not deem the time opportune when making the said report to deal with this important matter, but suggested that the same receive early consideration by the board of trustees;

That also was expressed by the royal commission. The royal commission did a certain work, but that work was not complete, especially in regard to labour. If I am not mistaken there was only one paragraph of that report which related to the relations between labour and the company. It was most incomplete. But as the commissioners could not complete their work they directed the attention of the House of Commons to the very fact mentioned in this paragraph. By bringing the matter to the attention of the house the hon. member for Vancouver North

tries to have the commission's work completed by the trustees who are now in charge of the railway's business.

The third paragraph is:

And whereas, a board of trustees has been appointed by the government;

This is also a statement of fact which cannot be denied. Then the conclusion is:

Therefore be it resolved, that, in the opinion of this house, it is of vital importance that the attention of the board of trustees of the Canadian National Railways be directed to this matter, and that this house deems it highly desirable that the said board of trustees shall consider this question and report thereon with the least possible delay as being of vital and primary importance in the interests of all concerned.

In this house we have to be informed of facts. It is impossible for any member of parliament to read all the bluebooks thoroughly. We have officials in various spheres who are supposed to do that. For this railway system there are three trustees, who have been honoured with the confidence of the crown and about whom I have nothing to say at present, except that I have got in touch with Mr. Labelle and I was well satisfied with the way I was answered when I wrote to him. What we need here in the House of Commons is full information about the basic facts, then we may draw our own conclusions. A moment ago there was a little discussion between the Minister of Railways (Mr. Manion) and the hon. member for Gloucester (Mr. Veniot). They were approaching the matter from different points of view and were not agreeing about the facts. One or other of them is right, but I cannot say which. It is most important to have the facts brought before us from the trustees, and it is most important that their attention should be brought to the matter in order that they, with the experience that they have acquired in that business by dealing with it for a few years, should make that study for us. They would draw their conclusions, but at the same time we should have the facts upon which those conclusions were based, and this house would have opportunity afterwards to form its own judgment on the matter.

The hon. member for Vancouver North is not now asking the government to change its policy in regard to the Canadian National Railways. Often the Prime Minister (Mr. Bennett) himself has said that Canada has reached the limit of her credit. It has been stated here in Ottawa and elsewhere. We have to know everything about the capital structure of the Canadian National Railways. I shall not repeat what has been said by other members, but it is most important for us to have a report about that matter at the earliest date possible. In what has been said by the Minister of Railways there is nothing in opposition to this resolution. He cannot say anything against it. The government would not be compromised by accepting it. It would not change the policy of the government at all. It is just asking for a report by the persons best qualified to study the whole matter and to report to us. After that report reaches us the government will be able to state their policy in the matter, when they have full information. That is why I congratulate the hon. member for Vancouver North upon having brought this resolution before the house.

There are some complaints about the Canadian National Railways being unable to meet their liabilities. Some of the interest is on bonds held by the government. The government knows very well that it will take a very long time to pay them. On the other hand the Prime Minister and some of his colleagues often speak about the inability of the Canadian National Railways to meet their liabilities just on account of the interest that is due to the government on those bonds. Therefore I do not see how any member of this house should object to getting good, reliable information on a matter of such vital interest.

Mr. THOMAS CANTLEY (Pictou): I oppose the resolution for one reason; that it is calculated to make us forget how foolish we have been in years past. That I think is something we should not forget. Neither do I think we should do anything that would tend to that end.

As far as the remarks of the hon. member for Gloucester (Mr. Veniot) are concerned, to a very large extent I am in sympathy with the position he takes. There is no question that the mileage of the Intercolonial was needlessly increased by at least three hundred to four hundred miles simply from a military point of view, at the instance of the British government of that day. It is a mistake to suppose that all the branch lines in the maritime provinces were unprofitable. For instance one branch line taken over was in my own county of Pictou. It was some twelve and a half miles long. That road always paid a small return on the capital; it paid the larger amount during the summer months, while in most winters there was a slight loss due to difference in traffic. And there were other roads in the maritime provinces that were earning money.

It is not my intention to discuss this matter at any length, but I repeat that I am opposed to the resolution simply for the reason that I think it is a mistake to do anything to remove from our minds and memories the colossal mistakes we made in this country in regard to railway construction. That loaded us with a debt that neither our children nor our grandchildren will see wiped out. There is no way to wipe it out; we have to pay the interest, and no matter of bookkeeping is going to alter that unfortunate fact. A good many of us would like to forget some other mistakes we made in the last four or five years. It would not help us one iota if we could erase from memory's pages many of the mistakes we made in 1928 and 1929. It is well that we should remember them and profit by them, and the same thought applies to the question of the capitalization of the Canadian National railways.

Mr. MUNN: Mr. Speaker—

Mr. SPEAKER: I would direct attention to the fact that the reply of the mover of the resolution will close the debate. If any other hon. member desires to speak to the motion he should do so now.

Mr. MUNN: I just want to make it clear that I was not criticizing the present management at all; I was simply offering a suggestion in a very civil manner. I know it is a bookkeeping proposition but, as I said before, it is not fair to the people of Canada or to the employees of the railway. We are only fooling ourselves. If you had a factory that cost $100,000 to build; if you had run it for ten years and had not written off anything for depreciation, then would it be fair to put in a new man and ask him to carry on under the old capital structure of $100,000? It would not. I think this should be done in fairness not only to the present board but also to the people of Canada. Every year this deficit of $30,000,000, $40,000,000 or $50,000,000 is thrown up to the employees of the road. The boys go in and ask for a little raise in wages, or the shippers ask for some consideration, but the excuse always is, "Well, we are losing money; we have a deficit every year." I am simply asking that the figures be placed where they belong, and I think the Minister of Railways should allow this motion to pass.

Mr. MANION: I simply say it is not necessary, because the matter is being dealt with and the trustees will report when they find themselves capable of reporting.

Mr. MUNN: Then with the assurance of the Minister of Railways that the matter will be or is being considered, and that if possible it will be reported on at this session—

Mr. MANION: I cannot assure my hon. friend of that, but I can assure him that it is being considered. I cannot say when they will report, but I shall gladly ask, and give the information to my hon. friend.

Mr. MUNN: Then with that assurance I ask that the motion be withdrawn.

Motion withdrawn.

SUPPLY—REFORM MEASURES

AMENDMENT TO MOTION OF THE MINISTER OF JUSTICE FOR COMMITTEE OF SUPPLY

Hon. HUGH GUTHRIE (Minister of Justice) moved that the house go into committee of supply.

Right Hon. W. L. MACKENZIE KING (Leader of the Opposition): Mr. Speaker, no doubt your honour will remember that when the debate on the address took place I offered cooperation with the government on the part of the official opposition in connection with the consideration of all measures having to do with the pressing question of unemployment, as well as those measures of social and industrial reform which we were advised would be the main concern of this parliament at its present session, but I pointed out that as the time of this parliament might be distinctly limited, since the government had it within its power at any moment to bring on a general election before measures of industrial and social reform were properly considered, it would be advisable that those measures should be brought down at the earliest possible moment, and that the time of parliament should not meanwhile be devoted to less important business.

In order that the government might have every opportunity to bring down its legislation at an early date and in as complete a form as possible I said that I would ask hon. members on this side to refrain from participating in the debate on the address, and would seek to have the speeches of the opposition confined to the speech which might be made by myself. Hon. members on this side acted in accordance with that suggestion, and to a certain extent hon. members in other parts of the house restricted the number of their speeches. There were a few speeches by hon. members of the Cooperative Commonwealth Federation, speeches by the independent members, and a few from the government side. Debate on the address was thus brought to a speedy conclusion, and I believe all hon.

members then hoped and thought the way was clear for the consideration, or at least the introduction, of some of the measures of social and industrial reform which we have been called to consider.

I made a further suggestion respecting private members' motions to the effect that with the consent of the house we might forego the consideration of such measures at the present time and if need be consider them later. I was careful to point out that no hon. member should be deprived of his right to speak on any motion he might have on the order paper. I suggested such an arrangement would have to have unanimous consent, and I believe it would have received such consent had not the Prime Minister (Mr. Bennett) indicated that he did not purpose changing the order of procedure and would not put any motion of the kind. For that reason we have had to consider private members' motions. However hon. members on this side of the house have adopted a self-denying ordinance and have foregone any lengthy discussion or all discussion of the motions appearing in the names of hon. members of the opposition. We have been content to allow other hon. members to indicate their points of view and to indicate ours simply by taking such action as might be necessary to indicate our support or disapproval.

The house has now gone completely through private members' motions. Every number on the order paper has been called and several of the motions have been discussed. A few have been passed by deliberately in order to give the government an opportunity to bring on its measures of social reform. For example I would point to the motion respecting titles standing in my name. I attach a good deal of importance to the discussion of that subject but I have felt that if the motion came before the house a somewhat lengthy debate might be created, that a considerable amount of time might be necessary for discussion and, as a consequence, in case I might be absent when it was called, I asked the hon. member for Quebec East (Mr. Lapointe) to inform the chair of my desire to have it stand for the present in order that the house might proceed more quickly with those measures about which the people of the country are very greatly concerned. That was done.

My third suggestion was that if we could proceed with the program of social and industrial reform, with the measures concerning social insurance and with the reform of the capitalistic system I would undertake, so far as supply was concerned, to state on behalf of the opposition that we would have little difficulty in reaching an agreement with the government regarding the voting of supply at a later time. I am now again prepared to give that undertaking. I have looked through the estimates, and with the exception of some of the items in the different departments I think we could agree to their passage. We may find it necessary to discuss some votes where salaries have been considerably increased, but other than that I believe we could agree to pass the civil supply very quickly, once we have had before us all the social and industrial reform measures. As hon. members are aware however, once the house resolves itself into committee of supply, debate may be protracted to any length; supply may be brought up day after day, and we may be kept here doing little more than considering supply one day after another. That is a means governments sometimes take to fill in time when they are not ready with more important legislation.

We have been told by the Prime Minister that the social reform legislation is so all-important that no time must be lost. He has said we must proceed with it with haste. Not only have we been told that but the people of Canada were told the same thing over the radio before parliament assembled. They were told that in part at least they would see the program outlined in the speech from the throne and that the government would go on with the work immediately. In these circumstances—

Mr. GUTHRIE: Where was the word "immediately" used?

Mr. MACKENIE KING: The hon. member has asked when the word "immediately" was used. If he wishes to quibble over a word I shall withdraw the word "immediately" altogether. I will give him the Prime Minister's own words. I believe he did not use the word "immediately" but he did use the word "now," and the expression "as quickly as possible." Further he used the expression "go on without delay," the further expression "speed and determination," and the expression "not any other time, but right now." If I used the word "immediately" as comprehending the lot or synonomous with each I hope exception will not be taken.

When a week ago to-day the Prime Minister introduced the resolution standing on the order paper respecting social insurance he said he was doing so so that "to-morrow" the resolution might be considered.

Mr. GUTHRIE: That is a form.

Mr. MACKENZIE KING: Yes, but the word "to-morrow" means that the matter may be discussed at the earliest possible moment

in the order of procedure in which it appears on the order paper. For that reason I do not think I am far wrong when I state the impression left upon the house and country was that these measures were all-important and would be proceeded with at once.

May I draw your attention to a further fact, Mr. Speaker. Not only did I point out that the measures for social reform and reform of the capitalistic system might be all-important, but I pointed out these were matters relating to the future and that important as they might be they should not be so placed as to sidetrack the immediate consideration of the problem of unemployment as we have it today, and the suffering to which as a consequence many people are being subjected. I did that because at every session of this parliament the discussion of the important question of unemployment has been left either to the very end of the session or until a moment immediately preceding an adjournment, such as the Easter recess. Never have we been able to get the government to permit discussion of supply of the Department of Labour or of a discussion of unemployment relief measures until a time approaching the very end of the session when hon. members had little or no opportunity for discussion. I do not think if we are able to avoid it we should permit that sort of thing to happen again. We should not allow the government to take up the time of this house from day to day in a discussion as to what supply the government is to get when at the same time all-important questions concerning the present difficulties of our people remain untouched. In the circumstances I believe we should ask that the all-important measures be proceeded with immediately.

May I draw the attention of the house to the fact that notwithstanding the offers of cooperation to expedite the introduction of reform measures the time of the house up to the present has been consumed by a consideration of measures other than those of the class I have mentioned. We have given first and second readings to an act to amend the Interpretation Act, an act to amend the Representation Act, an act to amend the criminal code and an act to amend the Pension Act. We have reached the second reading of Bill No. 2, an act to amend the Precious Metals Marking Act, and have reached the same stage on Bill No. 7, an act to amend and consolidate the acts relating to patents of invention. We have reached the committee of the whole with respect to one or two resolutions that appear on the order paper. None of these things are part of the all-important program of social and industrial reform.

[Mr. Mackenzie King.]

Mr. MANION: They are part of public business.

Mr. MACKENZIE KING: They are part of public business, but may I tell the Minister of Railways that this house was called for the purpose of considering above all else these questions of social and industrial reform?

Mr. MANION: So it will.

Mr. MACKENZIE KING: So it will, but, if it is within the power of some hon. members to have it so, it will do so at the earliest possible date, and not at the last moment.

Now may I make one point very clear, because I think it is just as well the public should understand what apparently the government has in mind, and what remarks such as those we have just heard from the other side of the house would indicate to be the case. The Prime Minister in his first broadcast over the radio on January 2, after intimating that he was going to outline to parliament the various measures of reform that were essential said, addressing the public:

> I will then invite your considered opinion as to whether reform is in fact necessary.

Now this means after the session is all over. Do not forget that, Mr. Speaker. There is no undertaking that any of these measures are to be put into force before a general election. According to the Prime Minister's own statement to the public this house is to be kept going until, to appearances at all events, he can get this legislation on the statute books, and then there is to be a general election:

> I will then invite your considered opinion as to whether reform is in fact necessary, and as to whether my program of reform is wise. If you say yes, then I will not rest until I have put it into operation.

It is quite easy to see what is in the Prime Minister's mind—a program of social reform to be put on the statutes, but none of it put into force. Then when we have a general election, the electorate is to be told: If you want this program of social reform you must support me. But even if they do support him the Prime Minister has not promised even then that he will put the program into force, because he says:

> If you say yes, then I will not rest until I have put it into operation.

Mr. POULIOT: He will perish in the attempt.

Mr. MACKENZIE KING: That is the kind of thing he said all through the last election with respect to what he was going

to do—that he would see these things were done, that he would not rest. We all agree he will not rest; he never will rest; but that does not mean that as a consequence any or all of these measures will ever be put into operation. I do not think the public should be humbugged with regard to any of this legislation, and so far as it is within the power of hon. gentlemen on this side to see that the situation is properly understood, we shall endeavour to see that the program of legislation is brought down, that it is stated in full, that it is carefully considered, and also that the conditions on which it is being proposed are understood by the public.

May I point out further, Mr. Speaker, that nothing could afford a stronger reason for not proceeding with consideration of supply until we have these measures before us than the Prime Minister's own declarations over the radio. I am going to read a few of these to hon. gentlemen, and I shall leave them and the country to consider whether we are not right in the circumstances in asking that these measures of reform should receive precedence over the less important business of the house, the kind of business my hon. friend the Minister of Railways has just referred to, such bills as those we have up to the present been considering, whether we should not instead give precedence to these all-important measures of reform.

May I point out that these measures, if they are to be what we are told they are to be, are likely to be very, very far-reaching? This house will have to consider these measures very carefully. The Prime Minister tells us that one of them relating to unemployment insurance the government has been considering for over a year past. Well, the government may have been considering it that long, but all hon. members who are not of the cabinet have not had a chance to consider it at all, and we shall want a little time after the bill is brought down to consider its merits and to understand its implications.

It is altogether probable that these measures will involve careful consideration of vexatious questions of jurisdiction. How these difficulties may be most effectively met will have to be a subject of careful consideration. It is also probable that they will involve a very large expenditure of public money. Now where is this public money to come from? How it is to be raised will be an all-important question which the public will wish to have answered before it will be prepared to support or condemn any legislation. We have heard over and over again from the Prime Minister himself the statement that if Canada's credit goes, everything is gone. We have also heard the statement that we cannot have social legislation given effect to to any appreciable extent on borrowed money, that the revenues of the country will have to be sufficient to meet its demands. Well up to the present ever since the present administration assumed office we have done little but add to our public debt very, very considerably every year. We have increased taxation every year, and if these social measures are to be enacted and enforced the country will wish to know whether they are to be put in force on borrowed money or whether the money for them is to come out of increased taxation—at all events where the money is to come from which is to enable them to be effective.

These are matters that cannot be settled in a day or two, and we shall wish to have them very fully discussed here.

I want to make the position perfectly clear. We do not intend if we can avoid it, those of us who sit on this side of the house, to be put in the position of being dallied along from day to day, and week to week, with regard to these alleged measures of reform, only to find ourselves a month or two months hence without any real discussion of the measures, some of them not even then perhaps brought down, faced with a general election suddenly sprung on the country by the Prime Minister on the score that he has been meeting with nothing but opposition to the measures he has brought down. We do not intend to be put in that position. We intend to offer all we can in the way of helpful cooperation to measures that deserve the support of all parties in this house, but we must reserve to ourselves the right, which hon. members of every party should consider an obligation, to have every one of these measures before us in plenty of time to consider its provisions upon their merits and to give a straightforward and unbiased opinion with respect to each.

Having said this much, let me now read from what the Prime Minister said over the radio, because the Prime Minister's own words constitute one of the main reasons why I propose to move an amendment at the conclusion of my remarks, which I hope the house will deem it advisable to support.

Here is what the Prime Minister said in his second radio speech on January 4:

> Now that the time has come to carry through a policy of reform, does any earnest-minded person say we should delay?

Well, we are all earnest-minded here, and we say there should be no delay. We agree

with the Prime Minister that these measures should be ready now, and we are prepared to consider them immediately. Next the Prime Minister said:

> 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.

When a Prime Minister tells the public even before parliament meets, that the government is going to do away as quickly as possible with emergency relief measures I say that the time for us to consider what is going to take their place is right now, not after we have been in supply a couple of weeks or a couple of months, or after a general election, but immediately. That is the most important problem; what is to take the place of relief measures, we want to know what the government's policies are with respect to unemployment relief and finding work for the unemployed. We want to know that as it relates to this year, the present time, and as it affects people throughout this country from the Atlantic to the Pacific. The Prime Minister says:

> We are going to put in a permanent system of sound and scientific insurance against unemployment.

How long is it going to take that system to get into operation? May I ask this question. How much help is a contributory system of unemployment insurance going to be to the man who has no employment at all and nothing to contribute? These are the people who have to be considered first of all, the people who have no work at all. This is insurance against unemployment in years to come; but what the country has needed during the last five years has been some method of providing work and relief, and we have not had any consistent policy on these two matters since the present government came into office.

Then take radio address, No. 3, delivered on January 7, here is an extract:

> My friends, I have declared for reform. Now that the time for action has come, delay is hazardous. A machine which is out of adjustment must be repaired or it will cease to operate. We have decided that permanent prosperity waits upon reform measures.

Now, can we afford to delay reform measures when the Prime Minister tells us that permanent prosperity waits upon them? Can we afford to delay the consideration of these measures when the Prime Minister says that, now that the time for action has come, delay is hazardous? We are prepared to take him at his word and to consider these measures as soon as the government brings them down. In the same speech the Prime Minister also said:

> I say we must go quickly forward with our reform measures.

An hon. MEMBER: Hear, hear.

Mr. MACKENZIE KING: An hon. member on the other side says "hear, hear." Well then, come on with them; we have not had any of the reform measures yet. This house was called together a week ago last Thursday and we are now in the third week of the session, but we have not had so far any of the reform measures though the Prime Minister says that we should go quickly forward with them. I am only taking him at his word. What is another statement he made?

> When some of you ask me, as you may: "why all this haste?" I say that, as a matter of fact, there is no haste at all, either in thought or action. There is urgency, but that is another matter. This is the right time for reform. We are now ready for it. We have been preparing for it.

So when the Minister of Justice asks me why I use the word "immediately", when the Minister of Railways asks, to all intents and purposes, why the haste, seeing that we have other public business on the order paper, I reply in the words of the Prime Minister:

> There is urgency, but that is another matter. This is the right time for reform. We are now ready for it. We have been preparing for it.

Take radio address No. 4, delivered on January 9:

> I have outlined our general policy of reform, and have indicated some of the measures in it which will be undertaken without delay.

That is all we are asking. This House has taken up all private members' resolutions, or at any rate, all have been called and most of them discussed, and we have concluded the debate on the address, so that we come now inevitably again to government measures, which of course have been called earlier than this. But the government is now again calling a government order and we ask hon. gentlemen opposite to call those measures which the Prime Minister says are all important and not to call supply at this stage, since that may mean only a method of postponing the discussion of more important questions. Further on, the same evening, the Prime Minister said:

> We must go forward with our reform program, with speed and determination.

If this language means anything it means that we should not be losing time, allowing one week to pass, and another, and a third

week to come without touching a single measure of reform. That is neither speed nor determination. On the same evening the Prime Minister said:

> In my judgment, as I have said, we can expect little more progress without reform. On the contrary, there is a danger that we may go back and go back quickly, if we do not act decisively.

Surely in these circumstances no exception should be taken to a motion which proposes that all-important social reforms should be given precedence over other matters so that we may go forward and act decisively.

Mr. POULIOT: He has the speed of Balaam's ass.

Mr. MACKENZIE KING: Let me next refer to radio address No. 5, delivered on January 11, 1935. The Prime Minister in that speech made the following statement:

> You know that my whole program is by no means complete. The first stage has been well begun. The second stage we will immediately initiate.

May I ask the Minister of Justice to listen to this. He asked me a moment ago why I used the word "immediately," and I gave him many synonyms and equivalents in the Prime Minister's language. But the Prime Minister himself used that very word. It was the second stage that was to contain the program set forth in the speech from the throne. The first stage was comprised in those other measures that were referred to as having already contributed towards recovery.

Now I come to the last of the broadcasts from Ottawa, which was on the night of January 15, two days before parliament assembled. It was reported in the morning papers the day before parliament met, and in this broadcast the Prime Minister speaks about what will be in the speech from the throne, and the reason it will be there. And what does he say?

> When the speech from the throne is read Thursday, you will find that we are taking steps to deal with these problems not next year but right now. We cannot accomplish everything at a single thrust but we can start, and we start now.

Well, that being the Prime Minister's wish in the matter, and those of us in the opposition desiring to cooperate with the government in these matters of social reform, I move, seconded by Mr. Mackenzie (Vancouver):

> 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."

In moving that amendment, may I repeat what I said at the outset, that at any time, once we have these measures before us and an opportunity given to consider them, if they are brought down promptly, we shall be prepared to have a group of hon. members on this side sit down with a group of hon. gentlemen opposite with respect to supply, to work out some means whereby the discussion of supply may be considerably limited, and the government in no way embarrassed in getting what is absolutely necessary.

Hon. HUGH GUTHRIE (Minister of Justice): I can only say that I think my right hon. friend (Mr. Mackenzie King) exhibits too much concern in regard to the conduct of business in the House of Commons during the present session. I am inclined to think that he imagines, for some reason or other, that during the present session he is leading the house, but it was made abundantly clear to him by the Prime Minister (Mr. Bennett) a few days ago that the Prime Minister is still leading the House of Commons and proposes to direct the business of this chamber. What is the actual situation? The house undertook the transaction of business one week ago to-day, and to allay any fears on the part of the leader of the opposition I think I can state to him that perhaps the most important, or one of the most important, of the reform measures which have been announced in the speech from the throne will be under discussion in this chamber tomorrow. This is the first time in a long experience in this parliament that I have known an important government measure to be brought down within the first seven or eight days of the session.

Let me point out another matter to my right hon. friend. If any time has been wasted in this house during the past six days of its sitting it has not been wasted by members upon the government side.

Mr. MACKENZIE (Vancouver): What about the flag debate?

Mr. GUTHRIE: It is all very well for my right hon. friend to enumerate five or six bills as he did in his speech to-night, and to announce that all those bills have been given a second reading during the past week. The time of the house consumed in connection

with all those bills was in the neighbourhood of half an hour, and my right hon. friend himself consumed more than five times that amount of time in a single speech in this chamber last week. If there has been any blocking, if there has been any delay, it is not attributable in any way to the government or to anything members of the government or members on this side of the house have done. There has been no delay; there has been no loss of time, but there has been every expedition on the part of the government to get the business of parliament under way.

I may have been misled during the course of the afternoon but I certainly was informed by one of my colleagues that it was prearranged that we should go into supply to-night for the purpose of opening two or three departments.

Mr. MACKENZIE KING: Who made the arrangement?

Mr. GUTHRIE: I am stating the information that was given to me.

Mr. MACKENZIE KING: Speaking for the opposition I say that no arrangement of the kind was ever made or mentioned.

Mr. GUTHRIE: I may have been misled, but I was certainly informed that by arrangement we would go into supply to-night for the purpose of opening two or three departments in order that later on in the week or later on in the session the house might at all times have business to occupy it.

Mr. MACKENZIE KING: I do not think the hon. member ought to leave any such implication. I think he ought to ask his colleague where he got his information.

Mr. CASGRAIN: There was no arrangement.

Mr. GUTHRIE: My colleague is not in the house at present but I shall ask him. I accept my right hon. friend's denial. I perhaps have been misled but certainly that was my understanding of the situation.

Let me point this out also: My right hon. friend is well aware that this particular bill to which he referred, which is the unemployment insurance bill, is a difficult and complicated measure. He says that as soon as it is introduced the opposition will have to ask for time to consider it. That is reasonable. We were preparing so that in the meantime when the opposition were examining and considering the bill, this house would have something to occupy its time. It was for that particular reason the motion to go into supply was launched to-night, in order that we might be able to consider estimates during any interval which my right hon. friend might require to study the measure.

Mr. MACKENZIE KING: Let us get the measure first.

Mr. GUTHRIE: The resolution was placed promptly on the order paper, and unless something unforeseen happens, will be debated in the house to-morrow and the bill will be introduced to-morrow. I have rather gained the impression from the speech which was delivered in the house to-night that my right hon. friend is going through a period of preliminary training for one of the addresses which he is going to make over the radio later on. His speech sounded to me very much as a sort of preparation for something of the kind and did not have what one might call a genuine ring. He knows he cannot make out any case charging the government with delay at this early date in the session. The facts are entirely against him. When this bill is brought down others of a similar nature will follow it in due course and I suppose when they are introduced time will have to be allowed to the opposition for their consideration. In the meantime what business is there to occupy the house? Why not proceed in the usual way with the business of parliament? My right hon. friend may depend upon it that every measure forecast in the speech from the throne, every measure forecast in the radio addresses to which he has referred, will be promptly laid before parliament, and. I can assure my right hon. friend, will be enacted into law by this parliament at this session despite criticisms and despite objections. Why, when we looked in the paper this morning we found that my right hon. friend's chief lieutenant in Ontario, the premier of that province, had already condemned our whole program as unconstitutional and had raised many and various objections to it, I assume that he did so under instruction and I perhaps may assume also that such is going to be the course of my right hon. friend and his party in this house.

Mr. MACKENZIE KING: I rise to a point of order. The Minister of Justice (Mr. Guthrie) has made more than an insinuation; he has made a direct charge. May I say to him that I have had no communication whatever with the premier of Ontario with respect to any legislation of this parliament this year or any year.

Mr. GUTHRIE: I am very glad to have that assurance, and I certainly will accept it

at one hundred per cent. But let me tell my right hon. friend that the premier of Ontario, who was one of his bosom friends and one of his bosom supporters in this house, who according to newspaper reports had been called into conference with him in this city before he became premier and since, certainly on Saturday last made very definite pronouncements against all the reform measures which the Prime Minister proposed to introduce. He even threatened the people of this country with a tour by himself and his lieutenants from the Atlantic to the Pacific in opposition to these reform measures.

Mr. MACKENZIE KING: My hon. friend knows all these measures have been broadcast during this year. I have not even seen or written to the premier of Ontario this year.

Mr. GUTHRIE: I think it would be better if my right hon. friend would get up and repudiate the position taken by the premier of Ontario, but what I fear is that that gentleman has sounded the keynote of opposition to all these reform measures, not only in Ontario where he spoke but in the House of Commons from the opposition benches. I am not going to be critical about the use of the word "immediate." I think my right hon. friend knows why I interjected that word when I did.

Mr. MACKENZIE KING: Yes, because it is a substitution for "to-morrow."

Mr. GUTHRIE: I think he knows it had reference to a certain change which he made in Hansard last week.

Mr. MACKENZIE KING: Yes, the Prime Minister spoke to me of a change in Hansard when he said I had used the word "immediate" and was putting words into his mouth. The word the Prime Minister used when he was introducing the resolution was that "to-morrow" he would introduce a certain resolution. When I read Hansard, that word "to-morrow" was changed to "immediate," because the word "to-morrow" was used a week ago and "immediate" was the word necessary to give the sense required at that time. It was a perfectly legitimate change.

Mr. GUTHRIE: It was in reference to making that change in Hansard, putting words he had never used into the Prime Minister's mouth, that I objected to the word "immediate."

Mr. MACKENZIE KING: The minister is referring to something the Prime Minister spoke to me about in confidence, he said, when I explained the change and he understood it quite well. I am glad my hon. friend has come out with what he said.

Mr. GUTHRIE: The Prime Minister has not discussed with me anything he has discussed with my right hon. friend. The matter came to my notice in another way; but that was the reason for the interjection of the word "immediate." The Prime Minister has stated time and again in his broadcast speeches that he is going to lose no time, that he is going to act quickly. To-morrow he will introduce one of the main measures in the house. We have only had one week of actual business sessions; we started a week ago to-day. If that is not prompt enough for anyone I do not know what promptitude is in parliamentary action. No government I ever heard of has brought down measures as promptly as that. This measure will be followed from day to day or every few days by other measures in the reform program. No one in this chamber or out of it will have any cause to complain of delay in regard to these matters. The object and intention of the government is to press these measures with all haste. There will be expedition, not delay. We realize that these measures will probably require much consideration and discussion. But the bills will be offered to the house just as rapidly as it is possible to prepare and submit them. The unemployment insurance bill will be introduced to-morrow. I think probably as far as this side of the house is concerned we shall be prepared to go right on with it, but I am sure that will not suit the convenience of hon. members opposite. Well, what shall we go on with in the meantime unless you proceed with supply and let us consider supply from day to day when not otherwise occupied? The object in moving this motion to-night was merely to have some work on hand in case we are asked to delay consideration of these bills when they come down. But I repeat that up to the present moment there has not been a moment's delay. The work of the house has progressed according to the order paper as it progresses every session, perhaps more speedily than usual. If time has been wasted in the house it has not been by members on this side. If there has been obstruction it has not come from this side of the house.

Mr. McINTOSH: There has been no obstruction.

Mr. GUTHRIE: And if there are any measures that have been passed or considered that are in any way objectionable I do not

know of them. We have acted regularly according to the rules and traditions of parliament, and we shall speed up all our reform measures and pass them with all the dispatch that this house will permit. Therefore I say that I think the criticism by the leader of the opposition to-night is entirely unfounded.

Mr. J. S. WOODSWORTH (Winnipeg North Centre): Some of us who do not belong to either of the major parties in this house find ourselves in somewhat of a predicament when a motion of this kind is offered. I think we are just as anxious as anyone to have the business of the house speeded up. I think no one will accuse us of doing anything to prevent the earliest possible consideration of such questions as unemployment and social and industrial reform. I know that I personally want those measures brought in at the earliest possible moment. We have been trying to say that for the last four years. I think that the government have been very dilatory indeed in that they have left these measures until the last session of this parliament, but as far as this session is concerned I do not think anyone can say that the government have been slow in bringing down these measures. Due partly to the fact that a good many on this side have refused to take part in the debate on the address we are ready now to go on with them. Now we have a definite assurance from the Minister of Justice (Mr. Guthrie), representing the government, that this important measure of unemployment insurance will be brought down to-morrow, and that the other measures will be brought down in quick succession; that there will be no delay whatever. Under these circumstances I cannot very well vote in favour of the amendment. Personally I do not like opening up a number of departments, for the reason that in the past very frequently when a number of departments have been opened up we have found that our opportunity to raise questions on going into supply has been curtailed, and further, very frequently the government has passed rapidly from one department to another. That may have been convenient for the government, but it has not been convenient for all the members of the house. In practice most of us find it impossible to attend throughout every session when estimates are being put through. It seems to me there ought to be the fullest information given as to when the estimates of any particular department will be brought down, so that we shall not be absent when some estimate in which we are particularly interested is up for discussion. The number of departments opened at one time ought to be very limited. But it does not seem to me an unreasonable proposal that the minister should open up a department or two to-night so that business could be carried on.

I know it is quite possible that if some of us vote against this amendment we may be accused of lacking interest in bringing in reforms; that kind of party trick has often been played. We may I think face that risk in view of the very definite assurances that have been given us by the Minister of Justice to-night.

Hon. R. J. MANION (Minister of Railways and Canals): Mr. Speaker, I do not feel like sitting quietly here while the right hon. gentleman (Mr. Mackenzie King) endeavours to impress upon this house the great desire he has at this late time, after four and a half years of opposition, to put into effect reforms which he never proposed, which were proposed by the leader of the government (Mr. Bennett), but which the leader of the opposition now finds so important for this country that he thinks the ordinary business of our nation that every parliament deals with when it meets should be neglected, and we rush forward with every item of legislation which the government has to propose in order to give him a greater chance to criticize and oppose it.

Since this house first met we have had six business days. It is true there was the first Thursday, which was not a business day, and then on Friday there were the obituaries. But last week there were five days and to-day makes the sixth. Yet the right hon. leader of the opposition has the temerity to tell this house and the country that the Prime Minister delays bringing down his reform measures which he and every one except the right hon. gentleman knows to be necessary if this country is to survive and if the capitalistic system, in which I believe, and in which I think the right hon. leader of the opposition and indeed the majority of the people of this country believe, is to survive. The right hon. gentleman, not only to-day but during his speech on the address, has emphasized that his one object is to cooperate in these measures that the Prime Minister has proposed. He has said over and over again: Bring down these measures so that we can cooperate with the Prime Minister and the government in putting them through. But it is quite obvious to any observant person in this house and out of it that it is not his desire to cooperate, but that the desire of the right hon. gentleman is to embarrass. That is his whole object. And the right hon. gentleman knows it.

Mr. CASGRAIN: That is not fair.

Mr. MANION: The trouble with the right hon. gentleman is that he has been scooped by the Prime Minister. For four and a half years the right hon. gentleman led the opposition and during that time neither he nor his party made one constructive proposal. They opposed everything the government proposed; they criticized at all times; they found fault with every piece of legislation that was brought in. They opposed the marketing bill.

Mr. VENIOT: We did not.

Mr. MANION: They opposed the marketing bill when it was brought in. Half the party over there are on record as being opposed to the empire trade agreements, which opposition the right hon. gentleman is now trying to get out from underneath. They opposed practically everything the government brought into the house, but now, when the right hon. leader of the government has had the vision and courage to see that there must be corrections made to remedy the defects of the so called capitalistic system and to bring forward those corrections and propose them to the people of this country, the right hon. leader of the opposition, who had hoped to float into power on a tide of discontent and unrest, finds that he is scooped, and he has not been able to restrain his temper since he came into the house this session.

My right hon. friend now says that these reforms are all important, that we must put them through because the country needs them, and that the opposition wants to help get them through. These reforms, which he now finds so all-important, are the reforms which he never mentioned during the last four and a half years. I cannot say, of course, what he intends to do when the election comes around, but I do know that about a month ago the right hon. gentleman and his party had a conference here in this city. They met right in the city of Ottawa; they were here for two days; they had representatives from all over the country. The hon. member for Vancouver Centre (Mr. Mackenzie) was here; I think the hon. member for Quebec East (Mr. Lapointe) was here. There were representatives from the Atlantic to the Pacific, and what was the result?

An hon. MEMBER: A mouse.

Mr. MANION: Yes, the mountain laboured and brought forth a mouse, or two mice in fact. The first mouse was a speech by the right hon. gentleman on world peace—of all subjects, as though there was anyone in God's green world except perhaps a few people in central Europe who wanted anything but world peace. At any rate the right hon. gentleman made a speech on world peace, and then they brought in a resolution condemning and abusing the government and demanding an immediate election, in mid-winter. That was the result of a two day conference here in the city of Ottawa, held about a month ago. Now, however, the right hon. gentleman says these are the all important measures; bring them forward and let us clean them up.

As it happened I have kept a few extracts which I happened to see in some of the newspapers during the last few weeks, since the right hon. Prime Minister submitted his program to the country. From those records let us see what some of the right hon. gentleman's lieutenants thought of these all important measures. Perhaps it would be a good thing to remind the right hon. gentleman and his friends of just what has been said. I have quotations here from speeches by a number of provincial members, but I need not read them. The first quotation I should like to give, perhaps because I like the hon. gentleman best, is by the hon. member for Quebec South (Mr. Power).

Mr. POWER: Hear, hear.

Mr. MANION: Here is what he had to say:

> Major Power of Quebec assails "Bennett's buncombe and humbug."

That is what he considered it to be. He thought the unemployment relief measures, the measures having to do with the limiting of hours of labour and minimum wages, and all the other reform measures proposed by the right hon. Prime Minister, were "Bennett's buncombe and humbug," yet the right hon. leader of the opposition stands up to-night and says let us get on with these important measures, so which are we to believe?

The next hon. member I should like to quote, and another whom I like very much also, is the hon. member for Ontario (Mr. Moore). That hon. gentleman is usually very careful in what he says; he is a very able supporter, perhaps the ablest on the other side, of the party which supports laissez-faire.

An hon. MEMBER: He writes books too.

Mr. MANION: Yes, and very interesting books; I read the last two and enjoyed them very much. He says Mr. Bennett's speeches are a very ordinary election appeal. Again these are the measures which the right hon. leader of the opposition says are so all-important. The hon. member for Ontario calls this program a very ordinary election

appeal, while his right hon. leader says for God's sake let us get them brought down, let us get at them and put them through, because the country needs them.

Then my genial friend from Vancouver Centre stopped off at every place across the continent to make a speech. He was not satisfied to condemn the Prime Minister and all his words and works out in Vancouver; he got off even in my own city to make a speech. Every time he passes through he honours me by stopping off in Fort William; he likes me so much that he wants to help elect me. I am sure he has been helping me; I know he thinks I am going to be elected, because he told me so. I hope I may be forgiven for quoting him, but he told me so, and I do not know any better proof that I am reasonably sure of election.

Mr. POWER: Perhaps the hon. member introduced him to Miss Lizzie Fair.

Mr. MANION: No, he was not the gentleman. The hon. member got off at Fort William and called Mr. Bennett's proposal "a new deal or a new steal." That was what he termed it; that was his opinion. Even the youngest member of the house, the hon. member for North York (Mr. Mulock) jumped into the limelight and put himself on record as condemning not only the Prime Minister but also his own leader, because his own leader says to-night, as he said on Friday and last Monday and every time he was on his feet, almost with tears in his eyes and with an appeal to this house, "For heaven's sake let us get on with these measures. The country needs them. We are anxious to shove aside all the rest of the business of the house in order to get on with them." But the hon. member for North York says:

"Confederation threatened by Bennett," states Mulock. Condemns Prime Minister for his audacity and impudence.

The hon. member condemns the Prime Minister, forsooth. I am afraid the people of this country will have to decide which is showing the audacity and impudence. According to the report I have, during this speech at Aurora the hon. member said:

Premier Bennett's policies will "break up confederation because his ambition is to set up a dictatorship," charged Colonel W. P. Mulock, M.P. for North York riding at a meeting of prominent Liberals at his farm here last night. "He thought he was the second Barnum—"

He is speaking of Mr. Bennett.

"—but he is going to be mistaken."

Mr. MULOCK: In regard to the statement made by the minister—

[Mr. Manion.]

The ACTING SPEAKER (Mr. Smith, Cumberland): Is the hon. member rising to a point of order?

Mr. MULOCK: Yes. I should like to correct the minister. I have no doubt that he is reading the quotation correctly, but I did not make that statement.

Mr. MANION: Then my hon. friend will have to correct the Toronto Daily Star, from which I am quoting.

Mr. MACKENZIE KING: The minister should accept the word of the hon. member.

Mr. MANION: Of course I accept my hon. friend's statement, but I have quoted the Toronto Star, and that same newspaper quotes him a little further. He can correct this also if he wishes to do so. He said:

"Let us go out and save these liberties for which our forefathers gave their lives. Fight to make this country what Laurier and Mackenzie King made it."

The hon. member for Laurier-Outremont (Mr. Mercier) also made a speech, in which he said:

It certainly looks as though Mr. Bennett was preparing for the role of dictator.

Yet his leader says that these measures are so important that he wants to put them through without delay, so he cannot believe in this dictator business.

I could go on indefinitely, but I will quote only one other hon. member. These quotations are rather good; they may help my hon. friends in their campaign when the time comes. I have one quotation from Mr. Roebuck of the Ontario government, but I do not wish to read it; his was worst of all. Then even the senators got into it, because we find Senator Graham, my dear old friend George Graham, making statements. The following is an article which appeared in the press:

Asked what significance he attached to Mr. Bennett's failure to extend the attack to include the C.C.F., Mr. Graham believed Mr. Bennett hoped to attract the support of that body to himself, as he appeared to be adopting some of their platforms ... his program as far as one can understand, is in head-on collision with his former policies which, at the present time, are still adhered to by the Conservative party.

So even he found fault. I shall now quote some observations by the hon. member for Northumberland (Mr. Fraser) and then I shall stop quoting. I could go down the list of those who spoke, but I shall not take the time. The hon. member for Northumberland said:

Mr. Bennett's utterances are more fantastic than anything that ever came out of the Arabian Nights.

I should like hon. members on this side of the house to remember what the opinion of the Liberal party as constituted in this house is concerning proposals for reform. That is worth while remembering, and yet in spite of his lieutenants the right hon. gentleman says, "We must deal at once with these matters and put them on the statute books"—on the statute books, not in his book, "We must get them forward and have them in a position to carry them out."

I accept the right hon. gentleman's attitude, namely that these are very fine measures. I can draw only that conclusion, if I believe in his sincerity at all.

Mr. MACKENZIE KING: I do not think my hon. friend has quite understood what I have said. He keeps saying that I have said these measures are excellent. I have been quoting the Prime Minister's statement that they are so necessary. What I have wanted is that we may see the measures which are so important, and if they deserve support they will get it. I cannot speak of the measures until I see them.

Mr. MANION: The right hon. gentleman has been taking the stand that we should bring them down hurriedly.

Mr. MACKENZIE KING: So we can see them.

Mr. MANION: Now he states the reason he has made statements is because he has been quoting the Prime Minister. He is not always so reasonable in taking the Prime Minister's word for things of that kind. He must have some use for them. If the right hon. gentleman does not think these measures are going to be of any use to the Dominion of Canada why is he in such a rush? Why is he trying to embarrass the government even to the extent of blocking supply, and offering an amendment to the motion to go into committee of supply so that the work of that committee may be delayed? Why has he objected to every little bill that has been introduced? Three or four of them were reported one afternoon, and they were passed in much less time than he took while speaking on the address in reply. Yet he keeps pushing things along. Now he wishes to withdraw from his position and apparently stands with the chap who said, "I am their leader; I must follow them." He has heard some of his followers and therefore he is going to follow them instead of precede them.

I say that the Prime Minister has shown vision and courage in bringing forward these reform measures, a vision and courage which everybody, with the exception apparently of the leader of the opposition and some of his colleagues, has recognized. At one time I did accept the right hon. gentleman's sincerity in his attempt to have the measures brought forward, but now it would seem he is trying even to back up from that. Therefore I do not know now whether I can accept his sincerity in the attitude he has taken in the house. I must state that, so far as I can see, his endeavours to hasten the measures of reform are not for the purpose of hastening reform but for the purpose of embarrassing the government. He is doing it for the purpose of killing time. The right hon. gentleman and his followers for the past four years have done nothing in this house but offer criticism during the most terrible crisis the world has ever gone through. In all those four years he has offered nothing by way of constructive suggestion. It is true that he has said on one occasion he suggested an interprovincial conference. Let me tell him we had three or four interprovincial conferences, and in most of them the provincial representatives went away agreeing unanimously with the policy of this government. So far as I can remember, and I speak in all sincerity, I know of no constructive suggestion the right hon. gentleman has offered in those four years. In that time he and his party in this chamber have been just as useful to the country—and no more useful—than the drought in Saskatchewan.

I do not wish to take further time of the house, but I should like to say that the Prime Minister has not only recognized the need for reform, but in the four years in which he and his government have held office they have brought this country through the crisis in better condition than any country in the world. To that statement I make no exception. Not only Canada, but the rest of the world is going forward on the road to progress and prosperity, and the successful issue so far as Canada is concerned is due to the efforts of the Prime Minister. Now he is going to crown his work of four and a half years by these reform measures. I submit again to the right hon. leader of the opposition if he is the sincere friend of the country he says he is—and I wish to accept his statement, because I do not question any man's loyalty—if he is so sincere he will give the Prime Minister proper time; he will not endeavour to embarrass the government instead of attempting to assist it.

Hon. CHARLES STEWART (West Edmonton): Mr. Speaker, it is always a great pleasure to listen to an address by the Min-

ister of Railways and Canals (Mr. Manion). Hon. members enjoy listening to him. He has the real Irish spirit, and on this occasion the hon. member has excelled himself. If ever there was a party which has swallowed itself, body, bones and breeches, certainly the Conservative party has done it on this occasion. They have not left a thing. They have even tried to steal the policies of my good friends sitting in the corner of the chamber.

Mr. MANION: We couldn't steal yours because you didn't have any.

Mr. STEWART (Edmonton): I say to the hon. member that that is exactly what he is trying to do. The Conservative party is trying to do that, and it is caught in the act. For four long years we have been trying to defend the people of Canada against the present administration. When the hon. member excites himself into one of his tirades I am reminded of the story of the Irishman who got drunk in New York. Being an Irishman the minister will appreciate this story; as it is against my own church and in favour of his I do not think he should object. Having spent the night in debauchery the Irishman decided the proper thing to do would be to go to church, and with that in mind he went to the little church around the corner. As there was a verger in the church the Irishman said to him. "When is mass about to begin?" "Why," the verger replied; "my dear friend, you are in the wrong place; this is not your church; it is an Anglican church." The Irishman looked around the walls and in one corner he saw a picture of our Saviour, and asked, "Is that not a picture of our Saviour up there in that niche?" The reply was in the affirmative. "Is that not a picture of the Mother in that niche?" The reply was again in the affirmative. "Is that not St. Peter over there?" "Yes it is." "Well then," said the Irishman, "since when did them folks become Protestants?" The change of heart my hon. friend has undergone in these four years is I believe described by that story, and in telling it I have had no desire to be profane. We have not heard the new policies yet, and that is why we have shown some anxiety. A few days ago the Prime Minister (Mr. Bennett) told us that the most important piece of legislation, which had on a former occasion been mentioned by the party in the corner of the chamber, was prepared as early as last March. Why was it not brought down? Why could it not have been brought down? As usual, did the right hon. gentleman want to do his stalling trick? They want to delay. They need delay; the Lord knows they are going to need a lot of delay before they pass this legislation, because so far as I can discover it merely amounts to some amendments to Liberal policies of 1921.

Some hon. MEMBERS: Oh, oh.

Mr. STEWART (Edmonton): Well, I shall be glad to see it when it comes down. I will go as far as to state that I will support anything which is in conformity with Liberal policies. Neither my hon. friend nor his leader has any right to go around this country and say that this party or my leader opposed the marketing act.

Mr. MANION: The only member opposite who supported it was the hon. member for Melville (Mr. Motherwell).

Mr. STEWART (Edmonton): It does not make any difference what my hon. friend from Melville said. Time and again during the discussion of the marketing act it was made perfectly clear that we on this side of the house stood for cooperative marketing, but did we stand for the iniquitous provisions set out in that act? No, we did not, and we do not stand for them to-day. Did we stand for a board being set up in British Columbia with power to say, "You shall not ship Alberta butter into British Columbia?" No, we did not, and we do not stand for it to-day. We might just as well face this thing squarely. We are not going to be put in the position of having it said that we opposed the principle of the marketing act. We are not going to have that said either by the leader of the party opposite or by any hon. gentleman opposite. But we did oppose the provisions of that act.

Mr. MANION: You opposed everything.

Mr. STEWART (Edmonton): And we are prepared to oppose them again, because we opposed them in the interests of the people of this country.

Let me say to my hon. friends on the other side of the house that never in the history of Canada has there been a period of four years in which more damage was done than in the four years they have been in power. More men have lost their homes, not only in the urban centres but in the rural parts of Canada. and they are losing their homes to-day.

Mr. CASGRAIN: And a million people on relief.

Mr. STEWART (Edmonton): And they are losing their homes on account of the policies of this government.

Some hon. MEMBERS: Oh, oh.

Mr. STEWART (Edmonton): Go out on the prairies and see the procession taking place off the farms daily. In my own city of Edmonton hundreds of people have lost their homes through taxation and their inability to pay as they were unable to secure work. I am told on fairly good authority that over fifty per cent of the land of that city belongs to the municipality to-day. And then hon. gentlemen opposite get up and say that they are the authors of everything that saved the situation in Canada, and that Canada came out of the depression better than any other country. If that is true, and I question it, the people of Canada came out better because of their innate ability to withstand the legislation that this government offered.

Hon. gentlemen opposite get up and criticize my leader and accuse him of a policy of laissez-faire. The leader of the government the other day said that my leader did not know which side of the fence he was on. Lord knows I would like to know which side of the fence the Prime Minister is on. Nobody has jumped the fence quicker than he has done. I ask hon. gentlemen opposite to read his Christmas address to the people of Canada, and then to read his New Year's speech, and then his radio broadcasts. Just compare them, and then let us see if any hon. gentleman opposite will stand in his place and accuse anyone on this side of inconsistency. I cannot think of words sufficiently strong, Mr. Speaker, to do justice to the occasion.

My hon. friend the Minister of Railways gets up to-night and proceeds in his usual form to lecture the opposition for their tactics. Does he remember when he sat over here, and his good friend the ex-Minister of Trade and Commerce (Mr. Stevens)?

Mr. MANION: I have forgotten that.

Mr. STEWART (Edmonton): I sat on the government side of the house when my hon. friend the present Minister of Railways sat over here. Does he remember 1930?

Mr. MANION: Sure I do.

Mr. STEWART (Edmonton): Yes, I know he remembers, and then his right-about-face. He was following then the tactics of an opposition that are doing nothing more or less, and no one did that half as strongly as he and his leader did when they were sitting over here. Our business as an opposition is to scrutinize every piece of legislation that is brought down.

We have had broadcast announcements by the Prime Minister, not once but five times, about the legislation that is all ready, that is going to reform the whole country, and God knows it needs it. In 1930 we had 117,000 unemployed, according to the statement issued by hon. gentlemen opposite, who were then in opposition, and to-day we have well over one million.

Mr. MANION: Nothing of the sort.

Some hon. MEMBERS: Oh, no.

Mr. STEWART (Edmonton): To-day we have one million on relief.

Mr. MANION: That is different.

Mr. STEWART (Edmonton): Hon. gentlemen opposite talk about there being only 400,000 unemployed to-day. I venture to say to hon. gentlemen opposite, and I am sure I am supported by some of their own friends, that there are twice four hundred thousand unemployed.

Mr. MANION: That is exaggerating.

Mr. STEWART (Edmonton): They have just discovered that the young men coming out of the universities have to have a job. These young men have been out of jobs for four years, as hon. gentlemen know.

Then look at the speeches which the Prime Minister himself has made in previous sessions in favour of sound money and in defence of tariffs. We were told in those days to tighten our belts. That is all the satisfaction the people of this country got out of the situation up until a short while ago, and not until my good friend the ex-Minister of Trade and Commerce started his crusade was there any change of heart among hon. gentlemen opposite. He was the first one to see the light—and all credit to him for having seen it—and what happened to him? He is no longer in the government giving advice; but suddenly the government discovered that his program was going to be very acceptable to the people of this country and they thought it about time to make a right-about-face.

Now bring on your legislation. Let us have a look at it. You do not need to pass estimates. You do not require money until the thirty-first of March. But no. You have to admit now, after all this ballyhoo about reform measures—I know no better word, Mr. Speaker—that you do not yet know what you are going to do about this reform legislation. That is the plain, honest fact of the case. You do not know what you are going to introduce, except for the one measure that was prepared in March a year ago; and I am not stretching my imagination very much when I say that. We as an opposition are

entitled to know what you propose to introduce. We are entitled to know what you are going to do about it.

We realize the serious situation in this country to-day. I suppose I shall be accused of maligning Canada when I say that I for one believe that Canada is on the verge of bankruptcy. And what have hon. gentlemen opposite done? They have added to the public debt in every direction in the last four years. I say that advisedly, and if they do not change their tactics and stop adding to the public debt of this country we will be bankrupt. I am not saying anything more, Mr. Speaker, than was said by hon. gentlemen opposite in 1930 when they were sitting over here. I have taken the trouble to examine the situation, and I am going to say something more when the opportunity offers, with respect to the attitude of hon. gentlemen opposite in 1930.

Here they are trembling on the brink of an election, fearful of the electorate.

Mr. MANION: Not trembling.

Mr. STEWART (Edmonton): And you have a right to be afraid of the people. We were promised an early election but the latest reports are that the water does not look so good since the session started. Let me say to hon. gentlemen opposite: You are the government, and it is your responsibility to bring down the legislation. It is our responsibility to examine it, to criticize it where necessary and to agree to it when we believe it will help out the situation that is so serious in this country at the present time. I support my leader in everything he said to-night and I shall support him later on in connection with this matter.

I say to hon. gentlemen opposite: Bring on your legislation and let us examine it. The only defence we have, the only weapon we can use, is to refuse you supply until we know what your program is, and that we propose to do.

Mr. GEORGE W. McPHEE (Yorkton): Mr. Speaker, with the hon. member for West Edmonton (Mr. Stewart) I agree. I happen to have sat on the other side of the house for nine years, and I well recall my red-blooded Irish Canadian friend on the other side of the house obstructing, when he was sitting over here, every bit of legislation that was brought down by the government headed by the present right hon. leader of the opposition (Mr. Mackenzie King).

My hon. friend the Minister of Justice (Mr. Guthrie) to-night boasts that the legislation foreshadowed in the Prime Minister's fireside chats will be brought down immediately. He said the same thing in 1930, because I recall that in that year the Minister of Justice (Mr. Guthrie) made the statement in Winnipeg that in three days his leader would end unemployment if he were returned to power.

Mr. GUTHRIE: No; you never heard that, and it never was said.

Mr. McPHEE: His right hon. leader was a little more definite than that. He said, speaking at the same place in June, 1930: "I propose, if elected to power, to call a session of parliament"—one of the two promises he kept—"immediately after July 28, and to introduce national undertakings which will give work to our workmen. I propose to have immediately enacted such measures as will do away with the bogy of unemployment." That was in 1930. I was in Sherbrooke a year ago addressing a meeting there, and I was told by the labouring people of that city that the present leader of the government went there in 1930, a few days before the election, and made an address. In that beautiful city of 25,000 people he spoke as dramatically as he did when he delivered his fireside chats a week ago. They described to me the manner in which he walked out to the edge of the platform at three o'clock in the afternoon and said: "I know what is wrong with the good city of Sherbrooke. These factories, fifty of them built by the industry of its people, are not going full time. Men are being laid off. Put me in office and there will be work and work aplenty for every able-bodied man in Sherbrooke." What was the situation there when I addressed that meeting? There were 2,500 men in that city attending the soup kitchen.

The Minister of Railways boasts about the contrast between Liberal and Conservative governments in their attitude toward labour. Let me give him this illustration. In 1928 when the Liberal government reduced the duty on automobiles from 35 to 20 per cent, a reduction which was fought tooth and nail by the Minister of Railways and everyone on that side, 4,000 workmen from Oshawa came to this city. Those hon. members who were here at the time will remember what happened. They filled two blocks in front of these parliament buildings, and they carried banners. These banners indicated that they were returned men: "We fought for Canada and we want to make Canada our home." They thought that after this reduction went into effect they would lose their employment and would have to go elsewhere

for work. What did my right hon. leader do? I want this house and the country to contrast the record of these two men, the present leader of the government and the present leader of the opposition. My leader on that occasion, in conjunction with the late Mr. Robb, then Minister of Finance, hired the largest theatre in the city, the Capitol theatre to which they requested that labour group to retire in orderly fashion. The men did so and they were addressed both by Mr. Robb and by the then leader of the government, the present leader of the opposition. I can hear Mr. Robb telling them, "Go back home, men. They will not close your factories. As a result of the reduction the factories will be working overtime and you will have more work." The men went back and the factories went on. That is liberalism.

Mr. MORAND: It was never put into effect.

Mr. McPHEE: Contrast that with what has taken place in the last four years. What happened when farmers from the good old province of Ontario came here and assembled in the exhibition building? Neither the leader of the government nor any member of his government, nor anyone on his behalf, went to address those men. That is the way they treat the labouring people of this country—and after all farmers are labouring people. It reminds me of the late Sir Sam Hughes, a Conservative, and his attitude to a delegation of a thousand farmers from western Canada. He had the effrontery to describe these men as "this gang of leaders"—men whose wives were at home wearing long boots cleaning out stables and doing other laborious work while the men were down here pleading for lower tariffs on their necessities. Take the labour delegation that came to the House of Commons three years ago. The Prime Minister had promised "Come unto me all ye that labour and I will give you work" and they came to this city and assembled on Wellington street, a thousand strong. What happened? They were not even allowed to pass the gates. Far from being invited to go to a theatre where they could be seated comfortably they were not allowed to enter these grounds. Instead they were met by armed men. That is the contrast between liberalism and conservativism so far as their respective relations with labour are concerned.

And now we have this spectacle of the Prime Minister of this country having promised everything under heaven four years ago, having all his life consistently fought for the capitalistic system, having profited as no other professional man in this country has profited as a result of that system—we find him now, not as Saul on the road to Damascus but as Richard Bedford on the road to his defeat, denouncing the very thing from which he has profited the most of any person in the country.

Some hon. MEMBERS: Eleven o'clock.

ADJOURNMENT—BUSINESS OF THE HOUSE

Mr. MACKENZIE KING: What is the business to-morrow?

Mr. GUTHRIE: I assume that this dilatory motion will proceed until it is disposed of.

Mr. MACKENZIE KING: May I point out that the government can arrange the order itself. If the government cares to introduce its legislation immediately it may have its effect on this motion.

Mr. GUTHRIE: This dilatory motion may have to be disposed of; otherwise we will go on with government orders, taking up the resolution in the name of the Prime Minister in regard to unemployment insurance, and there is another resolution to follow.

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

Tuesday, January 29, 1935

The house met at three o'clock.

FEDERAL HEALTH POLICY

RESTORATION OF MOTION DROPPED THROUGH NON-ADJOURNMENT OF DEBATE

Mr. H. E. SPENCER (Battle River) moved:

That the motion which stood in my name on the order paper on Friday the 24th instant and which was superseded by the adjournment of the house be restored on the order paper for consideration at the next sitting of the house next after orders to which a special precedence has been assigned by the standing orders of the house.

Mr. STEWART (Leeds): Explain.

Mr. SPENCER: Last Friday night the hon. member for East Calgary (Mr. Stanley) was speaking to the motion at six o'clock when instead of the debate being adjourned the house was adjourned, and the motion therefore automatically dropped. I understand that there are several hon. members who wish to speak to the motion. I know one mem-

ber was ready to move the adjournment of the debate but thought the hon. member for East Calgary was going to move it. I therefore ask that it be restored to the order paper.

Motion agreed to.

CANADIAN FARM LOAN ACT

Hon. E. N. RHODES (Minister of Finance) moved that the house go into committee at its next sitting to consider the following proposed resolution:

That it is expedient to amend the Canadian Farm Loan Act to facilitate and increase the extension of credit to farmers, to authorize the Minister of Finance to purchase additional bonds issued by the board and guaranteed by the government, and to amend the provisions relating to the constitution of the board, the purchase of capital stock, the rate of interest, the amount of outstanding bonds, and supplementary advances.

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

Motion agreed to.

DOMINION LANDS ACT

FORMAL APPROVAL OF ORDERS IN COUNCIL ISSUED IN 1934

Hon. T. G. MURPHY (Minister of the Interior) moved that the house go into committee at the next sitting to consider the following proposed resolution:

That the orders in council which have been published in the Canada Gazette between the 1st day of January, 1934, and the 31st day of December, 1934, in accordance with the provisions of section 75 of the Dominion Lands Act, chapter 113, R.S. 1927, and which were laid on the table on the 18th day of January, 1935, be approved.

Motion agreed to.

RAILWAY COMMISSION

CHAIRMANSHIP OF BOARD—APPLICATIONS FOR ARBITRAL TRIBUNALS

On the orders of the day:

Hon. W. D. EULER (North Waterloo): I should like to address two questions to the Minister of Railways (Mr. Manion), or possibly to the Prime Minister (Mr. Bennett). In view of the fact that the chairmanship of the board of railway commissioners has been vacant, can the government give any information to the house as to when we may expect the appointment of a chairman to be made? If I may put my second question now, though perhaps the minister is not prepared to give an answer to-day, I should like to ask if any applications have been made by either of the two railways for arbitral boards under the legislation passed two sessions ago and, if so, if consideration is being delayed by reason of the fact that the board has no chairman.

Hon. R. J. MANION (Minister of Railways and Canals): In regard to the first question I shall take this as a notice and give the answer to-morrow. In regard to the second question, so far as I know no official indication has been given by either railway of a desire for an arbitral tribunal.

POSTAL TERMINAL IN MONTREAL

On the orders of the day:

Hon. FERNAND RINFRET (St. James) (Translation): Mr. Speaker, may I ask the Postmaster General (Mr. Sauvé) whether it is the intention of the government to go on immediately with the work in connection with the postal terminal in Montreal or whether the government will content itself with the excavation work?

Hon. ARTHUR SAUVE (Postmaster General) (Translation): If my memory serves me right, last year, in a similar case, I had to request the hon. member for St. James to direct his question to the Minister of Public Works.

Mr. RINFRET: Then I will put my question to the Minister of Public Works (Mr. Stewart). I did not know there was friction in the cabinet to that extent.

Right Hon. R. B. BENNETT (Prime Minister): Mr. Speaker, I ask that that observation be withdrawn.

Mr. RINFRET: I will put my question to the Minister of Public Works.

Mr. BENNETT: I ask that that remark be withdrawn.

Mr. RINFRET: Here is the situation. I put a question to the Postmaster General and the hon. gentleman tells me that I can get the information from the Minister of Public Works. Now I put my question to the Minister of Public Works.

Mr. BENNETT: But that is not what was done or what was said, and I suggest that the hon. gentleman withdraw that statement. The statement made by the Postmaster General (Mr. Sauvé) was that the information would be supplied by the Minister of Public Works (Mr. Stewart), and the hon. member for St. James (Mr. Rinfret) then alleged that there was friction between the two departments. Such an allegation is unwarranted.

Mr. RINFRET: I have no objection to withdrawing the statement. I will ask the Minister of Public Works if it is the intention of the government to go on with the work in connection with the postal terminal in Montreal or whether the work has been only halted.

Hon. H. A. STEWART (Minister of Public Works): The question is one which in the first instance I think might have been directed to the department which has control of the work rather than to the Post Office Department, which really has nothing to do with the construction of the building. The work has not been abandoned; it will be proceeded with in due course.

SUPPLY—REFORM MEASURES

AMENDMENT TO MOTION OF THE MINISTER OF JUSTICE FOR COMMITTEE OF SUPPLY

The house resumed from Monday, January 28, consideration of the motion of Mr. Guthrie that the house resolve itself into committee of supply, and the proposed amendment thereto of Mr. Mackenzie King.

Mr. GEORGE W. McPHEE (Yorkton): Mr. Speaker, at eleven o'clock last evening I was discussing the amendment moved by the right hon. leader of the opposition (Mr. Mackenzie King), but in view of the definite declaration made by the Minister of Justice (Mr. Guthrie), who was leading the house last evening, that the resolution standing in the name of the Prime Minister (Mr. Bennett) in regard to unemployment insurance would be proceeded with to-day, and in order to expedite consideration of that resolution. I have no further observations to make at this time.

Mr. JEAN-FRANCOIS POULIOT (Témiscouata): Mr. Speaker I should like to dictate to the Hansard reporter a short prefatory note to the so-called social legislation of this government. I am in a privileged position, because I did not listen to the recent speeches delivered over the radio by the Prime Minister (Mr. Bennett), nor have I read them. What I should like to say, however, is that the Prime Minister's political adviser now, Mr. Herridge, the Canadian minister in Washington, is the same gentleman who was his political adviser during the 1930 campaign, when all the humbug promises were made to the Canadian people. This is why I am most doubtful as to the success of this legislation.

I will say more, sir; although my speech will be very short, may I recall some facts to hon. members of the house. Before the special session of 1930 was called a board was created by this government to study the causes of unemployment. There were some eminent gentlemen on that board, but they sat for only a short time before presenting their recommendations to the government. I remember that one member was Mr. J. H. Fortier. Later we came here for the special session, when we were told that $20,000,000 would cure unemployment. That amount was voted. Was the amount expended that had been put in the estimates by the previous government? It was not. Even that amount of $20,000,000 was not spent by this government. We were told also that if the tariffs were raised it would solve the unemployment problem. Were there many unemployed at that time? No, there were not; there were only a few poor people. One of my hon. friends from the province of Quebec told me that on the Indian reservation in his constituency there were 4,500 people who were always unemployed; they never did work, therefore they were then counted among the unemployed at that time.

Then what happened? After we were told in 1930 that by increasing the tariff we would reduce unemployment the Prime Minister told us that he had obtained the solemn promise of the manufacturers that if given an increase in the tariff they would employ more men at better wages, but later we saw the downfall of all hopes, both inside and outside of this house. Then the Prime Minister went over to the imperial conference with one or two of his colleagues, and what did he do? He wanted a tariff wall raised by England against her ordinary trade with other nations, but he failed, and it was then that Mr. Thomas used the expression "humbug." Then, after that pilgrimage to London which proved a complete failure, the Prime Minister came back here and found that the N.R.A. was the only remedy that would solve the problems which he had created in Canada through his tariffs, in order to please those vultures whom we saw in such large numbers in the corridors of this parliament during the special session of 1930, those profiteers who made so much money at the expense of the Canadian people during the war.

The tariff was raised again and again. I remember that my right hon. leader asked the Prime Minister on how many items the tariff had been raised during the session of 1931, and if my memory serves me aright the right hon. leader of the opposition suggested that it had been raised on two-thirds of the items. If I remember correctly the Prime Minister said it had been raised on one-half

the items, or a little more than one-half. What was the result? Each month our trade has decreased so much that now the government is afraid to make a comparison with the figures of the last year the Mackenzie King government was in power. Their point of comparison is the year 1932, not because there was an imperial conference in that year but because at that time our trade had reached rock bottom. Why? On account of that silly increase in tariff. That is what happened in 1932, after the increase of tariffs in the special session of 1930 and the regular session of 1931.

Sir, I can speak about it, because when your predecessor was in the chair I was sitting at the other end of this chamber, and when he asked if the tariff increases were approved I said "On division." That fact was noted by the correspondent for Le Devoir and the correspondents for other papers. Therefore as I objected to it at the time I now have the right to censure the increases in tariff made since this government has been in power. Not only that: What did this government do? They passed legislation so that tariffs could be increased by order in council, a most absurd procedure, because when a man buys goods from another country he is not sure he will pay the same price when the goods reach Canada. It proved that the N.R.A. suggested and established by this government, which created walls around the country, was a complete failure. It was just as much a failure, so far as Canada is concerned, as the London conference of 1930.

It was a complete and utter failure, but this government looked ahead to the imperial conference of 1932 when the representatives were gathered in Canada in order to discuss an economic policy. It is all right for the dominions to meet in London so as to have the same constitutional rights, but when it comes to a business proposition it is most absurd for five or ten parties to meet together in order to have a better chance at business. We know, sir, that a man can make a good business deal only by discussing with the other party. The purchaser and the seller must get together, and this is how agreements have been made in the past. The government renounced the Dunning agreements, abolished them and changed them so as to give place for a silly tariff policy. Then they brought Mr. Baldwin and other gentlemen from other parts of the empire to this very room, thinking that by that procedure the future of Canada would be saved.

Sir, 1932 proved the same as 1931 and 1930. Why? Because there was no preparation of the government's policy. It is a well known fact that Mr. Baldwin was ready to go without signing a piece of paper, without agreeing to any agreements or treaties. However his departure was delayed for one day. When the tables at the Chateau Laurier were groaning with food there were upstairs some English experts who knew their business. They were very intelligent, very clever and well trained and experienced British officials who had their proposals ready. They wanted this government to subscribe to those documents. Finally because this government wanted the scrap of paper with the signatures of English and other British representatives upon it they accepted everything submitted to them. It is especially to be noted that they accepted the creation of a tariff board before which England could lodge its complaints, but we had not the same privilege in England. Those agreements bound Canada hand and foot, but England was free to trade with any other country.

After the agreements of 1932 were signed we heard this government saying throughout the country that the future of Canada would be brilliant, and that Canada had nothing to fear. They said that the agreements had saved the life of our country and that this government was doing so well. That, again, was a failure. So much is that the fact that I remember the Minister of Railways, who knew that, saying in the following session, "Let us wait until the world conference next year. Everything will be settled there, and we will have our trade with all the nations of the world." When on October 12, 1932, the Prime Minister explained the agreement which had been signed by this government he mentioned production, and only production. He referred to the production of eggs, the production of potatoes, the production of bacon, the production of hogs, the production of ham, the products of the mines, the production of everything—but he did not say a word about distribution. Why? Probably he did not because Mr. Ferguson was here at the time, and Mr. Ferguson spoke to him about honey.

Sir, let us look forward to 1933 when the world conference was held. We know that the conference in 1930 had been a failure, the high tariffs of 1930 and 1931 had proved failures, the conference of 1932 was an utter failure, and then we saw the members of the government going to the world conference. In the midst of the proceedings of that conference we heard that the Prime Minister of Canada had saved it. But he was such a good doctor that only a few days later the conference died of its own weakness. What did my good friend the Minister of Finance (Mr. Rhodes) say when he came back? He

said it had been a delightful conference, and that he had made many acquaintances among the representatives of the sixty-three nations who met on that momentous occasion. The world conference meant more. It meant trade with other nations. Canada could not enter into trade with those nations because she was bound by the agreements of 1932. She was gagged and could do nothing because of the Ottawa agreements.

Let us now come to last year. No one need say a word about the world conference, because so far as Canada was concerned nothing was done there. It was another failure. We hear this government boasting about the great benefits derived from the conference of 1932, the Ottawa agreements. Apparently the hon. member for Rosetown (Mr. Loucks) is satisfied with them. Does he know that in the years following that conference our trade with Great Britain and with other British countries was much less than in the last year the Mackenzie King government held office. Does he know that? I am sure when he entered this house in 1930 he wanted an improvement in trade. I give him the benefit of the doubt and will say that I am sure he was sincere at that time. He repeated, after his leader, that conditions were bad in Canada at that time.

Mr. LOUCKS: We lost our wheat market in 1929, don't forget that.

Some hon. MEMBERS: Hear, hear.

Mr. POULIOT: Let me continue. In 1930 did the hon. member not say to the people that conditions were bad in this country? If he did not he was not a faithful follower of his leader who made that statement in every parish, every town and every city of Canada. If they thought conditions were bad in 1930 how is it they think they are so good now when, in fact, they are much worse. Not only that but I would remind the hon. member for Rosetown that statements were made by Tory and U.F.A. speakers advising the wheat growers not to sell their wheat because they would receive much more if they waited and left it in the pool. He knows it, and he will not deny it. Let me say to my hon. friend from South Essex (Mr. Gott) that I am not talking about onions; I am talking about wheat. I say that the state of the wheat market in 1929 was due to the pool of which my hon. friend from Rosetown was a member.

Mr. GOTT: Where did you get the information?

Mr. POULIOT: I got it firsthand, but, Mr. Speaker, I carry on a discussion only with people who have manners, and that includes the hon. member for Rosetown.

Last year we heard again about the benefits coming from the Ottawa agreements of 1932, and I asked a question of every member of the government. I asked: If things were so bad in 1930 as the Prime Minister himself said at the time, how is it that things are so good now? They say that things are better. They are not better. They are simply less worse than last year, but conditions are not better than they were in 1930. There is an organized propaganda on the part of this government to deceive people by making the point of comparison the year 1932 instead of the year 1930. President Franklin D. Roosevelt is much fairer than that because he makes his point of comparison the last year of the Hoover administration while this government takes as a point of comparison the year in which our trade reached its rock bottom on account of this government's own policies. That is what is being done by this government at the present time. I have spoken about external trade, and I come now to internal trade.

I see my hon. friend the Minister of Agriculture (Mr. Weir), in his seat. He is just as silent now as he was last year when I asked him several times: How is it that the decrease in the consumption of farm products is much greater than it was in previous years? I asked him to explain that; I asked him several times, and finally he told me that the Prime Minister was too busy to look into matters like that. In this good old province of Ontario, in a neighbouring constituency I told him finally: If you tell the truth, you should force the Prime Minister to resign, and, on the other hand, if you do not tell the truth he should force you to resign at once. But there they are still together.

And here we have on the order paper this piece of legislation which is supposed to save this country. What is it? It is only a lifebelt to save the right hon. the Prime Minister. That is all. How can he come and submit to us social legislation when he has not the basic facts upon which to found it? This house is quite full at the moment, and I am sure that all members have heard me ask this question from the government: What is the number of unemployed, according to their trades and professions? How many white-collared unemployed are there in this country? But there was no answer. I asked that question of the Minister of Labour. I asked

it from the Prime Minister, and finally the Prime Minister last year after being questioned about it rose in his place and told me that his government was doing its best to secure that information.

My contention is, sir, with regard to social insurance, with regard to unemployment, with regard to any relief for unemployment, that it is most essential that every member should have full and complete information about the number of the unemployed and their previous occupations. During the war men were not all wounded in the same manner. One man would be wounded in the eye, another man would be suffering from gas, and each case called for different treatment and to be considered separately. It was impossible to apply the same remedy to all, and just in the same way it is impossible to offer the same remedy and the same cure for all the unemployed, and just because this government has no information, no precise data, it is impossible for the government to submit any legislation in that regard which will bring any benefits to this country.

I am surprised to hear about a brain trust in this country. What is this brain trust? Is it a brain outside the head of the gentleman whose brain child is the trust? I cannot conceive it. Here, Mr. Speaker, we have legislation which is drafted by third-rate clerks, legislation which is just as bad as some of the legislation that I scrutinized with you, sir, last year in a committee of this house. It is brought to us red hot, but it is very indigestible. It is not made by people like my leader who, if he wrote about economics, did so out of his own experience as a public servant and as a member of the government, and as one who put his theories into application. But hon. gentlemen opposite simply have dreams, and the right hon. the Prime Minister has not the knowledge of the sufferings of his fellow-citizens in this country that he should have. What can the government do? Will this legislation work well? No one knows yet, but everybody knows that hon. gentlemen opposite have no experience in practical legislation of the kind and that what will be submitted to the house has ninety-nine chances out of a hundred of being a complete failure like the London conference of 1930, like the increase in tariffs of 1930 and 1931, like the dumping legislation, like the legislation by order in council, like the Ottawa agreements of 1932, like the world conference of 1933, like every policy which has been submitted to us by this government. That is why, sir, I am most fearful about it, not from a party standpoint, but as a Canadian citizen who has the right to express the views of his electors in this house. I do not wish any harm to any member of the government. Hon. gentlemen opposite know very well that I have many friends amongst them, but what I am sorry for is that they never ask for the basic information on which this social legislation should be drafted. If I ask the right hon. the Prime Minister or any member of his cabinet, "What is the number of white-collared unemployed in each province, in each city, in each township?" what will be the answer? The answer will be: We do not know. Or utter silence will be the answer in this mortuary chamber.

Mr. SPEAKER: Order. The hon. gentleman is out of order in using that word.

Mr. POULIOT: Then I say, in this chamber which is very much alive. What information has the government about farm loans, for instance? The information on that subject is incomplete. I got a little bit of information myself from the Dominion Bureau of Statistics last year about it. I was most interested in the matter, but in a letter signed by the director of that bureau he said: "We cannot certify these figures." And how did they get these figures?? At the time of the census they were asking the farmers what the amount of their debt was. Do you think for a moment that the farmer is going to tell his neighbours or someone in the community the exact amount of his debt? It is absurd. The only way to get at the exact amount of farm mortgages would be to have a careful inspection made in every registry office, with a report based upon that inspection, forwarded to this government through the provincial government. I have frequently asked this government to discuss that matter in the provincial conferences, but I am sure that nothing has ever been done because that information is yet to come. Well, sir, it is all right to be in the clouds, and the Prime Minister is in the clouds. In Halifax, when addressing a gathering of ladies there he said, "My only wish is for eternal salvation." He is in the clouds; he is nearer heaven; but those clouds prevent him from seeing what is going on on earth. He should come to practical facts. Very often, sir, I have asked the hon. gentlemen who surround the Prime Minister to guard against intruders, to prevent all those who are seeking favours from coming into contact with the Prime Minister, all those fellows who are undesirable, so as to give the Prime Minister time to think. Was it done? I am sorry for the Prime Minister and for this country,

because his time has been wasted in answering callers who were more importunate than useful from the standpoint of the public good.

And now I have something else to say. One reason why I am most fearful about this legislation is on account of a report which has been made of the speech which was delivered by the right hon. gentleman on Saturday of last week in Montreal. I have here the Montreal Gazette in which it is stated:

> The Prime Minister suggested that his talks with Soviet foreign minister Litvinoff at Geneva, and his study of the views of Sir Stafford Cripps and John Strachey, British radicals, had influenced him to a great extent, while he also pointed out the lessons that could be learned from the French and Russian revolutions.

He is sovietizing Canada now, after the failure of the London conference of 1930, the failure of the increase of tariff idea.

Some hon. MEMBERS: Oh, oh.

Mr. POULIOT: There are some Cossacks there. After the utter failure of the London conference of 1930, the utter failure of the increase in tariffs in 1931, the utter failure of the Ottawa agreements, the utter failure of the world conference and of every policy which has been submitted to us by the government, this is what we find, as reported in that paper.

Well, sir, I am sorry for this government. They have been talking so much about the alliance that exists between Liberals and the Cooperative Commonwealth Federation. Do they not now feel ashamed of themselves? Take the speeches which have been delivered in the province of Quebec by the Quebec ministers; are they not ashamed of themselves for being so much congratulated upon their policies by the leaders of the Cooperative Commonwealth Federation? It is the vengeance of the Liberal party. We heard our friend the Solicitor General, we heard the Postmaster General, and we heard the Minister of Marine, in the province of Quebec, saying, "Look at the Liberals. The Liberal party does not exist any longer. We have the C.C.F. and the Tory party, those two great parties which enjoy the confidence of the people of Canada." Well, sir, who won the last by-elections throughout Canada, in each province of the dominion? Who won the provincial elections in Ontario, in Nova Scotia and in the west, in Saskatchewan and British Columbia? Who will win every election? Those who will say, "We are strongly opposed to the federal government which is now in power. We must defeat them." This was said by my noble, generous and capable friend, Mr. Hepburn, in the last provincial election.

Some hon. MEMBERS: Oh, oh.

Mr. POULIOT: I hear hon. gentlemen laughing, but Mr. Hepburn has been pronounced a great son of the province of Ontario, one whom every father and mother would like to have as a son. I see the hon. member for South Essex (Mr. Gott). Does he not know that the four Hepburn candidates in Essex county, with whom I was standing on the platform in Windsor last year, and the other Hepburn candidates as well were elected? The people of Ontario have seen the light. They knew that this man was true to his principles, that he was a true disciple of Mackenzie King; and when he was in this house he was not afraid, any more than I am myself, to speak the language of truth, which is really the language of friendship, to the Prime Minister and his colleagues. That man was earnest; he was sincere; he was true to his convictions and fulfilled his promises—a thing this government has never done. It was because of his sincerity that he had such a wonderful victory in Ontario, and I say to hon. gentlemen to your right, Mr. Speaker, that they should be proud to see a young man of thirty-eight, if not enjoying their own confidence, at any rate enjoying the confidence of the great majority of the people of his native province, so much so that even in the province of Quebec he is just as popular as he is in any other province of confederation.

I have something very nice to read to this house. It is an excerpt from a speech which was delivered by the then leader of the opposition on June 25, 1930, at Cobourg, Ontario:

> "Anybody could devise a policy for to-day," the opposition leader declared, "to catch votes, but it is our duty, the duty of statesmen—

This is most humble, most modest.

> —to see beyond the horizon."

Is it not delightful, Mr. Speaker? Now, coming to social insurance, it will have to be paid for, and though I cannot quote the exact page of Hansard, I remember distinctly hearing the Prime Minister state in this house that he would accept nothing but a contributory system. Well, how many people do we meet in Ottawa who have not 10 cents with which to buy a sandwich, and how can they pay towards a contributory system of insurance? If this insurance is to solve unemployment, where will the funds come from? Is it true

that incomes will be severely taxed above $5,000, to the exent of one-third? People have not the money with which to pay—much less than in 1930. Last year in the Gazette of February 9, 1934, I read a report of a speech delivered by the Prime Minister in the Mount Royal hotel, in Montreal, on Realties—not realty. What did he say? The heading is:

Credit of Canada has reached limit premier declares.

People must face fact, Bennett says, and work for future.

Always for the future. He is ashamed of his past; I mean as Prime Minister, otherwise he is a very nice gentleman.

Default impossible.

Dominion must retain place among nations, Canadian club is told—railway problem discussed.

Here I have something delightful. He spoke about the debt of Canada approximating $3,000,000,000. He said:

This was the sum on which Canada had directly to pay interest. Then there were the sums of money which the dominion had guaranteed.

This is in a Tory paper which had found the policy of the government so bad that it had to repudiate it this year.

"That mere statement," the Premier continued, "is enough to make men thoughtful. Put yourself in my place and wonder where the money is coming from to pay the interest. That is the problem we have to think of. And all the theories in the world, my friends—

He did not then say "men and women."

—will not solve the problem. It is an actuality, a reality."

All the theories about that so-called reform legislation which is not ready and which, when ready, it is impossible to digest, are not a reality. We have to face a reality. A tremendous debt is bearing down upon the Canadian people and it has to be met. It is hard to meet it because the government has closed this country to the markets of the world. Now it comes with views as to the future just the same as we have already had in the past. Do hon. members remember that when Our Lord had fasted for forty days He was brought to a high mountain and the devil said to him; Kneel before me and all these prosperous cities, all these fertile plains that you see will be yours. The answer of Our Lord to Satan was: "Vade Retro Satanas." "Get thee behind me, Satan." This is the answer that this government will get from the Canadian people at the next election.

[Mr. Pouliot.]

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

YEAS

Messrs:

Ahearn	King, Mackenzie
Bertrand	Lapointe
Bothwell	Mackenzie (Vancouver Centre)
Bouchard	MacLean
Boulanger	MacMillan (Mackenzie)
Bradette	McKenzie (Assiniboia)
Brasset	McKinnon
Brown	McPhee
Campbell	Marcil
Cardin	Mills
Casgrain	Moore (Ontario)
Chevrier	Motherwell
Deslauriers	Mulock
Donnelly	Munn
Duff	Neill
Dumaine	Parent
Dupuis	Perras
Euler	Reid
Fafard	Rennie
Ferland	Rhéaume
Fiset, Sir Eugène	Rinfret
Fontaine	Rutherford
Fournier	St-Père
Fraser (Northumberland, O.)	Séguin
Girouard	Stewart (Edmonton West)
Golding	Taylor
Gray	Thauvette
Hall	Totzke
Hanbury	Urquhart
Hanson (Skeena)	Vallance—63.
Howden	
Jacobs	
Jean	

NAYS

Messrs:

Anderson (Toronto-High Park)	Gagnon
Arsenault	Gardiner
Arthurs	Gobeil
Baker	Gordon
Barber	Gott
Barrette	Guthrie
Beaubier	Hackett
Belec	Harris
Bennett	Hay
Beynon	Heaps
Bourgeois	Irvine
Bowen	Johnstone
Bury	Jones
Cahan	Kennedy (Peace River)
Cantley	Laflèche
Carmichael	Larue
Chaplin	Laurin
Church	Lawson
Coote	Loucks
Davies	Luchkovich
Dickie	MacDonald (Cape Breton South)
Duguay	Macdonald (Kings)
Dupré	Macdougall
Duranleau	MacInnis
Embury	MacLaren
Ernst	MacMillan (Saskatoon)
Esling	MacNicol
Fortin	
Fraser (Cariboo)	

McDade
McGillis
McGregor
McLure
Manion
Mitchell
Morand
Mullins
Murphy
Myers
Peck
Perley (Qu'Appelle)
Perley, Sir George
Pettit
Plunkett
Porteous
Price
Quinn
Ryerson
Sauvé
Shaver
Short
Simpson (Simcoe North)
Simpson (Algoma West)
Smith (Victoria-Carleton)
Smith (Cumberland)
Speakman
Spence
Spencer
Spotton
Sproule
Stanley
Stewart (Leeds)
Stewart (Lethbridge)
Stinson
Stirling
Stitt (Nelson)
Sullivan
Sutherland
Swanston
Tétreault
Thompson (Simcoe East)
Thompson (Lanark)
Tummon
Turnbull
Weese
Weir (Melfort)
White (Mount Royal)
Willis
Wilson
Woodsworth
Wright—108.

PAIRS

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

Messrs:

Anderson (Halton)
Baribeau
Bell (Hamilton)
Bell (St. Antoine)
Bell (St. John-Albert)
Burns
Casselman
Charters
Cotnam
Cowan
Dorion
Edwards
Ganong
Garland (Carleton)
Geary
Hanson
Kennedy (Winnipeg)
McGibbon
Maloney
Matthews
Moore (Chateauguay)
Pickel
Rhodes
Robinson
Ross
Rowe
Senn
Smoke
Stitt (Selkirk)
White (London)
Factor
Beaubien
Mercier (St. Henri)
Raymond
Dubois
Butcher
Howard
Blair
Hurtubise
Ilsley
Verville
Elliott
Michaud
Goulet
Mercier (Laurier-Outremont)
Veniot
McIntosh
Power
Young
Malcolm
Dubuc
Boucher
Ralston
Desrochers
Roberge
Lacroix
Sanderson
Pouliot
Weir (Macdonald)
Gershaw.

Mr. COTNAM: I was paired with the hon. member for Nipissing (Mr. Hurtubise). Had I voted, I would have voted against the amendment.

Mr. GARLAND (Carleton): I was paired with the hon. member for Russell (Mr. Goulet). Had I voted, I would have voted against the amendment.

Mr. MALONEY: I was paired with the hon. member for Weyburn (Mr. Young). Had I voted, I would have voted against the amendment.

Mr. COWAN: I was paired with the hon. member for Hants-Kings (Mr. Ilsley). Had I voted, I would have voted against the amendment.

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

Mr. CHARTERS: I was paired with the hon. member for North Wellington (Mr. Blair). Had I voted, I would have voted against the amendment.

Mr. BUTCHER: I was paired with the hon. member for Portage la Prairie (Mr. Burns). Had I voted, I would have voted for the amendment.

Mr. GERSHAW: I was paired with the hon. member for London (Mr. White). Had I voted, I would have voted for the amendment.

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

Mr. POWER: I was paired with the hon. member for Muskoka-Ontario (Mr. McGibbon). Had I voted, I would have voted for the amendment.

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

Mr. MERCIER (Laurier-Outremont): I was paired with the hon. member for Toronto South (Mr. Geary). Had I voted, I would have voted for the amendment.

Mr. BEAUBIEN: I was paired with the hon. member for Champlain (Mr. Baribeau). Had I voted, I would have voted for the amendment.

Mr. POULIOT: I was paired with the hon. member for Brant (Mr. Smoke). Had I voted, I would have voted for the amendment.

Mr. SANDERSON: I was paired with the hon. member for Haldimand (Mr. Senn). Had I voted, I would have voted for the amendment.

Mr. McINTOSH: I was paired with the hon. member for Winnipeg South Centre (Mr. Kennedy). Had I voted, I would have voted for the amendment.

Mr. MICHAUD: I was paired with the hon. member for Charlotte (Mr. Ganong). Had I voted, I would have voted for the amendment.

Mr. DUBOIS (Translation): I was paired with the hon. member for St. John-Albert (Mr. Bell). Had I voted, I would have voted for the amendment.

Mr. DESROCHERS (Translation): I was paired with the hon. member for Essex West (Mr. Robinson). Had I voted, I would have voted for the amendment.

Motion agreed to, and the house went into committee of supply, Mr. Smith (Cumberland) in the chair.

DEPARTMENT OF JUSTICE

Salaries, $198,798; contingencies, including the solicitor general's office, $45,000.

Mr. CASGRAIN: Explain.

Hon. HUGH GUTHRIE (Minister of Justice): The committee will note that although there is a reduction of some $12,000 in this vote, the reduction is more apparent than real. The reason for the change is that salaries of the penitentiaries staff, including the superintendent and three inspectors, are now removed from the civil government vote and put in the penitentiaries vote. The reason for that is that they are no longer under the Civil Service Act. There is this reduction of $12,000 shown in the vote, but there is really an increase of $1,900 in the whole staff.

Mr. MACKENZIE (Vancouver): What does the increase of $5,000 in contingencies, including the Solicitor General's office, represent?

Mr. GUTHRIE: The contingencies are in regard to increased legal expenses.

Mr. MACKENZIE (Vancouver): In connection with what, particularly?

Mr. GUTHRIE: In connection with litigated matters in the department.

Mr. DUFF: Is this amount made up with the ten per cent reduction or is it the full amount?

Mr. GUTHRIE: With the reduction.

Mr. DUFF: Will the minister be good enough to explain why, in view of the statement made by the Minister of Finance, the estimates are made up with the reduction of ten per cent?

Mr. GUTHRIE: There is a bill to be introduced to restore five per cent of the reduction, as announced by the Minister of Finance.

Mr. DUFF: Why were not the estimates made up on that basis?

Mr. GUTHRIE: Because the bill has not been passed yet.

Mr. DUFF: Surely when the estimates were made up the government must have known their intention with regard to the reduction, and the estimates should be made up on the basis of what the government is going to do in regard to salaries.

Mr. RHODES: If I may say a word, Mr. Chairman, in the statement I made on the introduction of the estimates I endeavoured to make it clear that the estimates were set up on this basis in order that they might be brought down in the house at an early date. Their preparation did not involve an immediate decision, which had to be made in the light of the revenue, as to how much if any of the salary deduction could be restored. That is why the announcement was made in the form in which it was, and that is why the estimates were set up on this basis. Otherwise there would have been a delay in bringing them down.

Mr. DUFF: I understand that, but it seems to me that the government should have been in a position, when these estimates were being made up, to decide as to what was to be their policy in regard to the salaries of the civil servants. It seems to me they should have known what their policy was to be. I understand that it will be necessary to introduce a bill, in view of the bill passed last year, but with regard to these estimates it seems to me that the amount should be in accordance with the terms of the bill which the Minister of Finance says will be introduced.

Mr. LAPOINTE: I see there is one senior advisory counsel with a salary of $6,300, and three at $5,940. Would the minister say who they are?

Mr. GUTHRIE: I cannot place them according to seniority. Mr. Bill is the senior.

Mr. LAPOINTE: Is he the one receiving $6,300?

Mr. GUTHRIE: Yes, and I am sorry to say that his health has been very indifferent

for some time, and for that reason I have been deprived of his services for a great part of the past year. Next in seniority would be Mr. Plaxton, then Mr. Gallagher, then Mr. Fontaine and then Mr. Gibault.

Mr. LAPOINTE: I do not think so

Mr. GUTHRIE: Mr. Miall comes in ahead of the last two named.

Mr. LAPOINTE: I see there is one more than last year.

Mr. GUTHRIE: That one has been taken over from the railway department We found that we were very short handed due to sickness; not only Mr. Bill but Mr. MacNeill has been on leave of absence for a considerable time through ill health, so we transferred Mr. Anderson, who was the legal counsel in the Department of Railways and Canals, to the Department of Justice.

Mr. LAPOINTE: Would the Solicitor General tell me who is his private secretary?

Mr. DUPRE: I have had no private secretary since the first of September last.

Mr. LAPOINTE: Is it intended to appoint one? I see there is an appropriation here.

Mr. DUPRE: I have several applications before me but no decision has been arrived at as yet.

Mr. POULIOT: I have an English copy of the estimates, but apparently there is no French copy. Last year when we were discussing the railway bill I remember that my hon. friend the Minister of Railways and Canals agreed to postpone the debate due to the fact that there were no French copies of the bill. I submit that we should wait and not continue the discussion of the estimates until we have a French copy.

The CHAIRMAN (Mr. Smith, Cumberland): Shall the item carry ?

Mr. POULIOT: I should like an answer from the government.

Mr. RHODES: I will have an immediate inquiry made. If there are no French copies available it is a matter of accident, certainly not of design. I am rather surprised that they are not available in French at the moment.

Mr. POULIOT: I very distinctly remember that last year the Minister of Railways agreed to postpone the discussion on the railway bill, at the request of my hon. friend from Lotbiniere (Mr. Verville), because the bill was not printed in French. I do not see why the Minister of Finance should not be just as fair towards the French speaking members of this house as his colleague was last year. We were told over the radio by the Solicitor General that every publication, including Hansard and all others, would appear at the same time in French and English. Here is a most important matter, supply, and we have no French translation, so I do not see why the Minister of Finance should insist on going on. We were told that with the organization of the bureau for translations everything would be fine and all publications would come out simultaneously in both French and English, as from a slot machine. Now we have to wait for the translation of the estimates.

As a French speaking member I insist that we follow the precedent established last year by my hon. friend the Minister of Railways and Canals. What he did was well done, and I hope the Minister of Finance will follow the same line. The Prime Minister (Mr. Bennett) is here; the Solicitor General (Mr. Dupré), the Postmaster General (Mr. Sauvé), the Minister of Marine (Mr. Duranleau), the Secretary of State (Mr. Cahan) and the right hon. member for Argenteuil (Sir George Perley), all ministers from the province of Quebec, are here also, and I appeal to them, as representing French speaking people, to tell the Minister of Finance that this discussion should be postponed until the French version of the estimates is tabled. I ask you, sir, to give a ruling on the matter and to decide whether or not we should continue the discussion of supply when we have not the French translation of the estimates.

Mr. CHEVRIER: As one who took a very active part in connection with the translation bill last year I think it only fair that I should say a word about the lack of the French translation. Repeatedly the Secretary of State and the French ministers made the boast that the amalgamation of the translation bureaux was a step in the right direction and that all documents and reports would be published concurrently in the French and English languages. One of the most vital duties we are called upon to perform in this house is the voting of supply; one of the most important documents to be submitted is the estimates, yet at the very first opportunity we find that the estimates are not available in both languages.

This is a most serious and anomalous situation. We have the remarkable situation that after the promises of the Secretary of State and of the other ministers from Quebec, supported by the French speaking members from that province who sit on the government benches, that this step would put the French language on a par with the English language.

yet at the very first opportunity, and in connection with the most important document to be presented to the house, we are furnished with the English version only. What I stated at the time the bill was under discussion has come true. This bill was a farce. It has achieved only one thing, namely, it has necessitated the translators working unearthly and unholy hours under conditions absolutely foreign heretofore. The results are just what we predicted, namely that the change would lead to confusion. I am not prepared to take my seat without expressing the strongest possible protest. I do not speak with hostility. But I have said what I had to say more particularly in view of the promises made last year by the Secretary of State and lately of the declarations made by the Solicitor General (Mr. Dupré) in Montreal that concurrently all documents would be published, translated and deposited on the table of the house.

I believe we should be told why we have not received the estimates printed in French. I have had my English copy of the estimates for five or six days, and I have awaited this opportunity to make these observations. We now have tangible proof of the accuracy of our statement of last year to the effect that the change in translating services would amount to a huge farce. I am protesting as strongly as is within my power against the lack of expedition in publishing the French version.

Mr. CAHAN: The criticisms levelled at the bureau for translations are not well taken. For the first time I think in the history of this parliament, at least for many years, the departmental reports for the past year were laid upon the table of the house printed in the French language in the first days of the session. Provision is being made for the very early translation of Hansard reports from English into French. Of course, the official report of Hansard is reported in English and French, but we have made special efforts towards publishing the French translation of the official report on the same day as the official report appears, only a few hours later.

Concerning the translation of the estimates may I say that the bureau proceeded with the translation as soon as the copy was received by the department. I do not know why there was a delay, or even if there was a delay in sending the estimates from the Department of Finance to the translations bureau. However the document has been translated and is now in print. The official proofs of the print were sent to-day from the translations bureau to the Department of Public Printing and Stationery. The printing has not yet been completed although the composition is complete. The French translation will certainly be ready to-morrow.

Mr. CHEVRIER: I am prepared to accept the minister's explanation, but it just goes to show that I was right. I did not level my criticism against the staff of translators, as the minister must know. I must say however that the minister is and has in the past been ever prone to accept responsibility for anything done in his department. He has shouldered the responsibility. I am not levelling these criticisms at the translators, but I have levelled them at the administration and particularly at those members who are responsible for the administration of the law in question. Last year Hansard was published just as it is published to-day. We had Hansard early in the morning, and we still have Hansard early in the morning. Previously however the translators did not have to work the unholy hours they now must work. They did not have to begin work at eleven o'clock at night and wait until one o'clock in the morning before they could get copy. At that time they did not have to wait until daylight before they could go home, as they do now. These people are working under conditions which may require the application of legislation concerning working hours. Probably we will have to ask that such legislation may be adapted to translators and other civil servants, if the administration is going to continue to administer affairs as it is now doing.

That is the reason I direct my criticism against the administration. Last year we had no trouble, and in the years past we had no trouble. There was no difficulty until the Secretary of State, moved by some motive, turned the whole department into chaos, and turned the whole thing into turmoil by trying to put in a new system, a sort of reform and something new. Now we find that after all these changes conditions are much worse than they were before.

Mr. CAHAN: As Secretary of State I take full responsibility for the administration of my department. So far as the Department of Public Printing and Stationery is concerned may I say that I do not think it has been more efficiently or more economically administered in recent years. The hon. member has said that the French translation of English Hansard was satisfactory to every one last year. I say it satisfied a few people who

were willing to receive and accept the French translation four or five days after the official record in English and French was published. Now an effort is being made to bring out the French copy on the same day. If hon. gentlemen persist in staying up a large part of the night reviewing their proofs of English copy it is true that I shall have to keep the translators later to perform their work of translating, in order that the translation in French may be printed, completed and distributed at an early hour next day.

Mr. BOUCHARD: Without any extra pay.

Mr. CAHAN: What extra pay?

Mr. BOUCHARD: For the translators working every night.

Mr. DUPUIS: Yes, for the translators working at night.

Mr. CAHAN: So long as this parliament sits until eleven o'clock at night it will be necessary for those people to work at night who prepare Hansard for the next day.

Mr. CHEVRIER: Then the minister admits there is no improvement?

Mr. CAHAN: Yes, there is this improvement, that every public document, which has been delivered to the bureau for translations, has been translated more rapidly and with an efficiency equal to that which prevailed in any year of the past four years.

Mr. ST-PERE: What about the price spreads report?

Mr. CAHAN: I have nothing to do with the French translation of the price spreads commission evidence.

Mr. ST-PERE: Who has anything to do with it?

Mr. CAHAN: The commission itself. The commission must decide as to how rapidly that is to be done. It was more important that I should attend to the expeditious translation of those matters committed to the charge of my department, namely that the translation and printing of the reports for each and every department should be ready at the beginning of the session. That has been accomplished.

I notice that the hon. member for Témiscouata (Mr. Pouliot), speaking with regard to some others matters, made a statement in his place yesterday about the French translation. I wish to say that the matters of which he complained were never translated by the bureau for translations, were never sent to the bureau for translations to be translated, and further that no translator of the bureau for translations has been dismissed because of inefficiency since the bureau was created.

Mr. POULIOT: But the hon. gentleman will surely not say that the remarks I made yesterday were unfounded, that they had no basis?

Mr. CAHAN: No. I said they had no basis so far as the bureau for translations was concerned.

Mr. POULIOT: I cannot leave it at that, Mr. Chairman. When I gave a question to the assistant clerk of the house as I had done for years past, and the translation, and not only the translation but the question itself as transcribed, and published in the order paper, were wrong, naturally I complained about it. I did not complain about the bureau for translations; I mentioned only one translator. So my hon. friend the Secretary of State is wrong in both instances. He has only to look at the first page of yesterday's Hansard to see what I said. I did not mention the bureau, but one translator. So why should we discuss it further?

What we are discussing is the fact that the estimates are not tabled in French. Whether the French translation is at the bureau or in the Belgian Congo I do not care. The fact is we have not got it in this House of Commons, and as we have not got it here at this very moment, I do not see how the Prime Minister and his colleagues can ask us to consider these estimates. The Prime Minister's colleague who sits to his left, the hon. member for Argenteuil (Sir George Perley) is no longer in the chamber. He should be here when we are discussing this important matter. Nor do I see the Minister of Marine (Mr. Duranleau). He was here at the beginning but he is not here now. He takes no interest in his French-speaking electors, just like the hon. member for Argenteuil who is the Acting Prime Minister in the absence of the Prime Minister. The hon. Minister of Marine is a very important gentleman in Montreal. He is the leader of the bar in his province, a former Bâtonnier général du Barreau. He knows the importance of these matters not only to the French-speaking citizens but to all those who want fair play in this community of ours stretching from ocean to ocean which is called Canada. I am not speaking on behalf only of the French-speaking people of this country but on behalf of all those who want the traditions of this country to be respected. I know very well that the government cannot say anything in reply. The Secretary of State says: Well, the translation is there. But how do we

know it is there? It may have been told to him, but he did not verify it himself. He takes the word of those who told him. I have no doubt that he is speaking in perfect good faith when he says that, but who can tell us that he has been rightly informed? That is the point. But there is more than that, Mr. Chairman. By the British North America Act all the official papers of this house shall be in both languages. One of them is missing, the French version of the estimates. There is talk about amending the British North America Act. Is it for the purpose of striking out that provision in the British North America Act which makes both languages official? Is that the purpose of the government? Is that the start in this matter? I ask the Secretary of State (Mr. Cahan) who has French-speaking people in his constituency, I ask the Solicitor General (Mr. Dupré), I ask the Postmaster General (Mr. Sauvé)—I ask all of them is the fact that the French version of the estimates is missing a prognostication of what is coming, namely, to strike out that provision in the British North America Act that both languages shall remain official in this country? I speak on behalf not only of the French-speaking people in this country but of all those who want the traditions of this country to be respected, all those who sincerely desire that we abide by the constitution of this country. I say, Mr. Chairman, that we cannot proceed until we have the French version of the estimates.

May I tell you, Mr. Chairman, that I regret very much that the right hon. leader of the government in the Senate, the Right Hon. Senator Meighen, does not sit in this house, because I would look at him with pleasure. Shall I tell you why, Mr. Chairman? It is because he is the only member of this government—mark you, the only member of this government—who ever said "Ready, aye ready."

Mr. DUPRE: Mr. Chairman, I would like to answer immediately in a few remarks, and I will ask the house to consider the actual situation. This is the first session since confederation, since 1867, that we have had so many departmental reports tabled in the house in both languages on the same day. It is the first time also that we have had Hansard in both languages ready and delivered on the same day.

Mr. BOUCHARD: They are not ready.

Sir EUGENE FISET: No.

Mr. DUPRE: They are.

[Mr. Pouliot.]

Sir EUGENE FISET: No, we have not got them yet.

Mr. DUPRE: I do not know what has happened to my hon. friend's, but I have received both copies on the same day.

Sir EUGENE FISET: Then you are privileged.

Mr. DUBOIS (Translation): Translators are obliged to work all night.

Mr. DUPRE: I will admit that sometimes instead of receiving the English and French versions at the same hour, the French copy has been delivered two or three or four hours after the English copy, but that was due to the fact that, in some instances, corrections had to be made in the original text by the speakers; and I know as a fact that one morning we could not get those corrections before six o'clock. The translators had to wait until six o'clock the following morning before they could commence the translation of the English into the French text. But barring those circumstances we may say that the two texts of Hansards, the English text and the French text, can be delivered on the same day and practically at the same time, and I repeat this is the first time that it has been done since confederation.

Mr. BOUCHARD: It is not done.

Mr. DUPRE: And we do not receive from our friends opposite a word of praise, or appreciation. We are very far from the days of last year when, on the translation bill that was so ably presented by the hon. Secretary of State, we were accused of being traitors to our race and doing things that were injuring the rights of the French language. But this is our vindication. We do not want congratulations; we are not looking for them, but we are doing this year what our friends opposite never did during the nine years that they were in power. When they are in power they are very silent on the rights of the French language in Canada; but that subject is a specialty with them when they are sitting on the opposition benches.

This is only an experiment, Mr. Chairman. We are trying to do what we think is the right thing. Up to now, we have met with some difficulties, but we hope to improve on the work we have already done. Not only is the government full of good will but the translators are also, and in passing I think I should pay a tribute to the translators who for the last eight or ten days have been working all night, some of them going to bed

only at eight and even ten o'clock in the morning. We appreciate what they have done, and I want to say so publicly. At all events, as far as the estimates are concerned, as the Secretary of State has said the French part will be tabled very soon, maybe to-morrow, and we are doing everything we can to meet all difficulties and to see that the departmental reports and Hansard are produced on the same day in both the French and English texts.

Mr. WOODSWORTH: We have evidently entered upon a very contentious subject, and a debate of this kind may be carried on indefinitely. Those of us in this corner a short time ago voted against the amendment, which professed to be in favour of getting down to the social legislation at the earliest possible moment. The only reason that we voted against that amendment was that it seemed to be part of certain blocking tactics with which we do not agree and against which we want to protest. Now it appears that the same blocking tactics will be used in connection with the estimates. I would say to the government however that the avowed purpose of their bringing down the supply bill has been accomplished. The estimate before us can be discussed on another occasion. The government definitely promised yesterday that the important social legislation relating to unemployment would be brought down to-day, and I would respectfully suggest to hon. gentlemen opposite, who have control of the business of the house, that they ask that this committee rise and report progress and thus enable us to get down to the regular schedule of business for to-day.

Mr. RHODES: There is no disposition on the part of the government to force the matter through committee of the whole house in view of the objection taken. The circumstance that the estimates had not been translated and printed in French was entirely unknown to myself until inquiry was made. But inasmuch as objection has been taken, notwithstanding the fact that the estimates are being printed, are in type and will be available for distribution to-morrow, and that every hon. gentleman opposite, irrespective of what his mother tongue may be, is quite familiar with the subject matter of the resolution before the house at the moment and with the estimates themselves, I accede with pleasure to the suggestion and therefore move that the committee rise and report progress and ask leave to sit again.

Progress reported.

PRIVILEGE—MR. POULIOT

Mr. JEAN-FRANÇOIS POULIOT (Témiscouata): I rise to a question of privilege. In the Ottawa Journal of to-day, the five o'clock edition, there appears this heading:

Pouliot delays division in House of Commons.

If the division was delayed, may I point out that I did not delay the so-called social legislation, because we have none before us, and moreover supply was not ready then.

UNEMPLOYMENT INSURANCE

MEASURE TO ESTABLISH AN EMPLOYMENT AND SOCIAL INSURANCE COMMISSION

Right Hon. R. B. BENNETT (Prime Minister) moved that the house go into committee to consider the following proposed 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.

He said: I do not know, Mr. Speaker, whether it would best suit the convenience of hon. gentlemen to consider at the moment the matters that are referred to in the resolution while you are still in the chair, and when questions cannot be asked and answered, or whether it is advisable that you should now leave the chair and the committee be formed at once, so that discussion upon the resolution can take place and I can make a statement and answer questions put to me. I am entirely in the hands of the house.

Mr. MACKENZIE KING: I think it would expedite matters if Your Honour were to leave the chair and we got into committee immediately.

Motion agreed to and the house went into committee, Mr. Smith (Cumberland) in the chair.

Mr. BENNETT: I do not intend to enter into a discussion at any length with respect to the general subject of unemployment insurance; I will do that when the opportunity is afforded under the rules for the introduction of a bill founded on the resolution. The resolution contemplates a bill being submitted to the chamber dealing with the matters that are mentioned in the resolution itself. Sometimes the custom has been followed of discussing upon the resolution the details of a measure founded thereupon. Such I believe is unsound practice.

First of all, the resolution seeks the introduction of a bill to establish an employment and social insurance commission. It is proposed that an unemployment insurance measure shall be introduced, founded upon this resolution, and before I go further I should like to point out that on April 29, 1931, in this chamber, I made this statement:

> I propose, if we are spared as a government and as individuals, that the information we will have before our term of office is ended shall be crystallized into the form of legislative proposals to be submitted to this house. I have never had any illusions as to what is involved; I have none now. I have never had any desire other than that the legislation placed upon the statute book, whether by this government or by some other, shall be legislation based upon knowledge, and not upon mere guesswork.

The next year I made the same observation. I endeavoured to explain on that occasion that any unemployment measure, called an insurance measure, must necessarily imply some understanding of the risk that is incurred by the insurers. That seemed to me to be elementary. The difficulty had been that the census returns, although the report had been made, had not been analyzed for the purpose of ascertaining just what they disclosed with respect to unemployment. I mentioned the other day just what the returns did show as to the numbers of unemployed on the first of June. Now I will not do more than recall what I said in 1931 as to the factors that must be considered and the elements that enter into the preparation of an unemployment insurance measure.

This bill contemplates administration by a commission and an effort will be made by the measure to see that it is freed as far as may be from political control. One of the difficulties in all countries where legislation dealing with unemployment insurance has been introduced has been that the political element has entered into discussions and in a large sense, in more than one country, has frustrated the values attaching to such legislation. It will be observed further that the legislation which will be introduced on this bill, which introduction I shall move when this resolution has been adopted, contemplates the creation of a commission for the purpose of dealing with this matter.

Then the resolution says:

> To provide for a national employment service.

I shall not now follow in detail the various laws that were passed in Great Britain to deal with unemployment insurance beginning in 1911; nor shall I deal with the reports made by commissions that from time to time have considered the matter and determined whether there should be an extension of benefits, an increase in premiums; nor shall I at the moment consider those who are eligible because a resolution does not contemplate that discussion being had before the measure itself is introduced. But I shall say this, that in Great Britain the very foundation of the effort was found in the national employment service. That is, the labour offices, or as we call them in Canada, the employment offices, may transfer labour from one point to another, and provided there is unemployment at one point and requirements at another the labour may be transferred from the point where there is a surplus to the point where it may be utilized. In this country as is known, consequent upon the treaty of peace and the conferences that were held, the setting up of the international labour office, we did provide for the institution in Canada of employment offices. The dominion became a party to those offices being established and in a large sense provides for their maintenance. Those offices have an important part to play in the legislation which will be submitted to the house, an important part to play for the purpose of providing information to the commission constantly as to where there is a surplus of labour, for instance, in a single province where there is a surplus at one point and requirements at another, and the principles that were adopted in Great Britain have been the principles largely followed so far as possible having regard to our area in this country.

Then it will be observed that we are providing for insurance against unemployment. Insurance in essence is an indemnity. Obviously it will be impossible to provide for insurance that will be a complete indemnity with respect to unemployment. There must be first of all the determination of the probable numbers that will be affected. We have taken terms of years; the statistical department has determined what the average would be and from that we have endeavoured to select just what would be the likely number of unemployed in any one year having regard to the average numbers employed during the period to which I have referred, namely, ten or eleven years. Upon that of course, must be determined the premium that should be paid. That is an actuarial computation depending naturally upon the benefits that are to be conferred when the insurance becomes a claim. As regards the part of the resolution providing for unemployment insurance, I shall not go into detail now more than to say that the premium shall be paid by the employer, the worker

and the state, the state's contribution being the cost largely of administration, and when the bill is introduced I shall give the history of other countries in that regard. That, however, is how the premium is to be paid. The amount of premium of course will vary with the ages of the insured; it will vary also with the averages of unemployment and employment as shown from the figures which we have obtained from the statistical department and upon which the actuaries have exercised their talents.

That being determined, the next question is a very simple one: What benefits are to be secured from the premium thus paid? Obviously the benefits as in most insurance of that kind issued by private enterprises and companies, are limited as to the period of time during which they will be paid. Sometimes health insurance provides for benefits for thirteen weeks, sometimes for twenty-six weeks, sometimes for a longer period depending upon the amount of premium paid and what the actuarial figures indicate as to the character and nature of the risk. In this instance I shall indicate to the house when I introduce the bill the history of other countries in that regard. At this time for purposes of the resolution it is only necessary to point out that we contemplate the maintenance of those features which differentiate insurance from any other form of contract. There is the payment of a premium by the workman, his employer and the state; those three together are responsible for the premium which is received by the commissioners and which is administered in the way of benefits depending on claims being made by those who come within the terms of the statutory requirements, namely finding themselves unemployed under the conditions that are mentioned in the bill. That of course is a matter to be determined with great care. Whether the period shall be thirteen weeks or fourteen weeks, what number of claims may be made by a workman within a given period of time, what must be his necessary contribution as a minimum before he can make a claim, how his contributions shall accumulate during a given time—all these matters have been considered in all the European countries and we have obtained the benefit of their experience. When I introduce the bill I shall make known to the house what that experience shows so that it may be available on Hansard for hon. members.

After having provided for benefits of that kind, the resolution states:

> For aid to unemployed persons, and for other forms of social insurance and security.

We merely provide for the amplification of that in cases where for exceptional reasons a workman has preferred no claim for a long period of time, say five, six, or seven years, where he has worked continuously, he might then secure larger benefits than he would otherwise be entitled to on the strict construction of his statutory policy or right to claim. That is a very simple matter depending of course upon whether he has been able to maintain his work from day to day and from month to month for a long period of time.

The next point deals with the problem of the payment of the necessary premiums, that is such contributions as may be necessary to carry into effect the proposed legislation. I do not of course consider that on a resolution I am within the rules of the house in endeavouring to discuss what have been described as constitutional questions, but I think I may anticipate what I propose to say on the introduction of the bill by pointing out to the house that I have no doubt whatever as to the constitutionality of the bill which will be submitted to parliament. I have no doubt at all that it is within our legislative powers. Whatever doubts may have arisen in times past—and I confess that I was one of those who had grave doubts as to our constitutional powers with respect to a matter of this kind—I think it is fair to say that there are two reasons why those doubts in my mind have been entirely dissipated, and I trust they are reasons which will be sufficiently strong to commend themselves to the sympathetic consideration and I think approval of every member of this chamber.

In the first place it will be recalled that we entered into a treaty of peace as part of the British empire. It will be recalled that in 1919 Canada executed the peace treaty as a part of the British empire. This parliament ratified that treaty by the Treaties of Peace Act of 1919, and not only in the covenant of the League of Nations but also in one of the articles of the treaty itself express provision is made for matters dealing with questions of labour. It will also be recalled that pursuant to the powers thereby conferred there was called together a great labour conference which met at Washington the very same year when the late Senator Robertson was Minister of Labour, Mr. Rowell, then President of the Council, was Acting Minister of External Affairs, and the right hon. gentleman who leads the opposition was one of the advisers who attended as a former minister of labour. That conference determined that certain acts

were advisable and that a certain course of conduct should be pursued with respect to labour. I will do no more at present than say that conventions have from that time been drawn up, the various nations of the world have indicated their approval of them, and Canada, although approving of them, has availed herself of that provision of the peace treaty which said with respect to federal communities that if they did not desire to deal with these matters they might instead recommend them to the provinces. Recommendations have from time to time been made by the government of the day to the provinces. But I know of no reason why parliament should not exercise its power under section 132 of the British North America Act and deal as a part of the British empire with the obligations which we accepted and which are created under the peace treaty and by subsequent conferences. Many ratifications have taken place by this parliament of conventions arrived at, and ratifications will be sought with respect to other matters that have to do with social problems and social legislation.

There is another reason which is wider still than that in the narrow constitutional sense. Since we first began to consider these matters there has been, as has been pointed out, a widening conception of the power of the federal authority with respect to many matters. In the aviation case, for instance, it was held that the federal power had exclusive jurisdiction to deal with matters pertaining to the use of the air. In the radio case a similar decision was reached. Therefore we have in the terms of the judgment of the court of last resort a statement in both cases of a widening sense of the power of the central authority, and when those two are coupled with the additional powers that have to do with interprovincial and international trade, peace, order and good government, and the power of taxation for the purpose of making contributions to such a fund, the law officers of the crown have no doubt, the Minister of Justice (Mr. Guthrie) is clear, that in the light of the decisions as we now have them the legislation in the terms in which it will be offered to this house is within the competence of this parliament.

I do not think I shall make any more detailed statement on this resolution. I realize that on the introduction of the bill founded upon it I shall be expected to make a more elaborate statement as to the conditions in other countries, as to the history of such legislation, especially, in Great Britain, whose act we have largely copied, and the effort that has been made, shall I say, to adapt the legislation of Great Britain to the conditions of this country.

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.

Mr. MACKENZIE KING: The Prime Minister has said that this legislation is to be administered by a commission, and that the reason for that was to prevent anything in the nature of political interference. May I ask the Prime Minister if that means that this commission will have such authority in the matter that the authority of and control by this parliament over the subject matter of the legislation will thereby be alienated, to a certain extent at all events?

Mr. BENNETT: I think I should answer that question in the negative. The right hon. gentleman is aware that the railway commission administers the Railway Act in the very broadest sense, but it does not thereby displace the jurisdiction of this parliament. The commission that is called into being will be a commission representative of the workers and the employers, with one other member, for the purpose of administering the statute. Of course at all times it will be subject to the statutory powers conferred upon it by parliament and to the dominant authority of parliament to deal with every creature it creates, and to amend any legislation it may enact.

Mr. MACKENZIE KING: Will the Prime Minister inform the house within what time he expects it will be possible to have benefits paid under the scheme of insurance?

Mr. BENNETT: The statute itself will deal with that phase. Generally the act contemplates adopting the principles followed in England, which will be made known when the bill itself is introduced.

Mr. MACKENZIE KING: Will the Prime Minister say whether that will be within the

next year, or two years, or three years, or within what period of time he expects benefits with respect to the various insurances will become available to contributors?

Mr. BENNETT: To answer that question at the moment would involve dealing with a mass of detail. It will depend upon the number of payments made by an assured within a given period of time. If for instance an assured should make the required number of payments, as provided in the English act, within a year, his right to claim would arise immediately thereafter. The whole theory upon which such legislation is based in other countries—in Great Britain, for instance, whose legislation we have followed, is that within a given time the worker makes a given number of contributions and thereby obtains the right to make a claim. His premium earns him the right to make a claim if he is validly unemployed. If he is not unemployed he is laying up for himself treasure in the future with regard to what may be called supplementary benefits that accrue under the statute.

Mr. MACKENZIE KING: Can my right hon. friend give the house an estimate as to what he expects will be the probable cost of this insurance scheme, and the contribution of the state in reference thereto?

Mr. BENNETT: I propose to deal with that matter in detail. There is a large mass of figures. It would of course depend entirely on the number of workmen that may come within it. Assuming that there is one and a half million, and payments, say for the sake of argument, are at the rate of twenty cents a week, you would have the sum of $300,000 contributed by the state, which in fifty-two weeks would amount to $15,000,000. It depends upon the facts, upon the conditions arising within the terms and provisions of the bill. I quite appreciate what the right hon. gentleman and others said yesterday, that ample time must be given to read the bill in all its particulars from the time it is printed and given second reading. I could not answer the question in that form without referring to a vast amount of material, which will be available to the house. I propose to offer the reports of actuaries as to, shall I say, the actuarial soundness of the proposals that will be submitted in the bill.

Mr. MACKENZIE KING: The Prime Minister will recall that in speaking on the address I pointed out that one of the provisions of the Supreme Court Act gave the government the opportunity of submitting any proposed measure to the court for an opinion on the question of jurisdiction. Has the Prime Minister thought of submitting any questions to the supreme court in that regard?

Mr. BENNETT: I indicated in the discussion on the address that I thought it undesirable to discuss in detail any particular legislation or the attitude of the government towards it. The government is satisfied that the legislation is within its competence, it sees no necessity for submitting it to the Supreme Court of Canada either antecedent to or subsequent to its enactment.

Mr. LAPOINTE: Of course the governments that enacted the Lemieux act, the Board of Commerce Act and the various insurance acts were satisfied that those acts were within the competence of this parliament. But unfortunately their validity was challenged by the provinces, and victoriously Does not the right hon. gentleman think that it would be better to try to come to an agreement and understanding on the matter prior to enactment than to take the chance of having the act declared unconstitutional by the court?

Mr. BENNETT: I can quite appreciate the point made by the ex-Minister of Justice (Mr. Lapointe). The fact is that the Lemieux act was generally regarded by lawyers who were fairly well informed as being unsound constitutionally in view not of decisions of the moment but, I think, a decision subsequent to the date of its enactment in which, under the late Lord Haldane, there had been placed upon provincial powers an interpretation somewhat widening them from the conception which obtained at the time the Lemieux act was passed. With respect to the insurance acts it will be recalled that, commencing with the Citizens' Insurance Company and Parsons, the privy council decided that statutory conditions could be imposed by provincial legislatures upon policies issued by companies licensed by the federal power. From that decision there followed a long train of decisions terminating in the insurance reference and the various cases that arose subsequent to that by reason of legislation enacted by this parliament as well as by the provinces.

Probably it is within the hon. gentleman's memory that the Lemieux act was not attacked until some twenty years after it had been enacted, if my memory serves me aright, while in the Board of Commerce case the attack was immediate and successful. It was not, I think, until the case brought by Snyder had been dealt with that the Lemieux act was finally dealt with.

We have not the slightest doubt at the moment, and unless the hon. gentleman is able to throw some doubt on it that we have not at the present time we can see no escape from our having jurisdinction, for the simple and obvious reason that section 132 of the British North America Act provides:

> The parliament and government of Canada shall have all powers necessary or proper for performing the obligations of Canada or of any province thereof, as part of the British empire, towards foreign countries arising under treaties between the empire and such foreign countries.

Those words were considered in the aviation and radio cases, and the construction placed upon them is now a matter of record. Therefore, having regard to what has taken place under the peace treaty and having regard to the position taken by this parliament, I do not think there is any doubt as to our position.

As to the second question, with regard to the desirability of discussing the matter with the provinces, when we did discuss this matter the attitude taken by some of the provinces was one of great relief to think that the dominion would undertake a national obligation of this character. Some provinces, however, took the view that this was an interference with their exclusive powers. They said, "We do not desire to discuss the question of the merits of the legislation, for the jurisdiction is either exclusive to us or it is exclusive to the federal power," or in other words to parliament. The question of the obligation under the treaty section so far as I know has not been doubted by any province in the confederation, and if it is not necessary to amend the constitution to effectuate the purpose we have in mind I do not think any good purpose is to be served by doing so. It will be recalled that when this government came into office neither the aviation nor the radio case had been decided. I think perhaps hon. members will remember the observation of a great jurist that the expansion of law by judicial interpretation, even when applied to a modern statute, is that modern conditions may be met even though the statute is of long standing or great age, and the privy council has seen fit to put upon our constitution a somewhat wider interpretation, when dealing with aviation and radio. I think the hon. gentleman will particularly recall the radio case—

Mr. LAPOINTE: And that is the way in which women became persons.

Mr. BENNETT: That is another case, and I thank my hon. friend for reminding me of it, although truthfully I never had any doubt about it myself; I never doubted that the decision would be as it was. The Minister of Justice, together with his entire staff and the law officers of the crown, have given the matter much attention and they are clear that at the moment, unless there is some curtailment of federal power by decisions that may arise hereafter, which I think is not likely, this legislation is within our competence.

Mr. MACKENZIE KING: The Prime Minister has stated that this is to be a contributory scheme, with contributions by the federal authorities, the provinces and the employees.

Mr. BENNETT: Not by the provinces; by the employers.

Mr. MACKENZIE KING: Are the contributions under this act to be voluntary or compulsory?

Mr. BENNETT: These, of course, are compulsory.

Mr. MACKENZIE (Vancouver): Are any classes of the community specifically excluded from the provisions of the legislation?

Mr. BENNETT: Yes. I might say to the right hon. gentleman that this was one of the matters I proposed to deal with on the introduction of the bill. He, as an old countryman, will recall that under the report of one of the commissions both the banking and insurance fraternities entirely exclude themselves from the operations of the act. The same principle runs through this proposed legislation.

Mr. MERCIER (St. Henri): I understand that there is no contribution by the provincial authority or government?

Mr. BENNETT: There is none contemplated by the bill.

Mr. HEAPS: I should like to ask if, included in the unemployment insurance act, there will be also measures dealing with sickness and invalidity insurance.

Mr. BENNETT: That is not dealt with in the way of conferring benefits; that is dealt with in a very limited sense, in the view that matters both of relief and of health necessarily must be within the provincial rather than the federal jurisdiction.

Mr. HEAPS: Then do I understand that these are not to form part of the legislation dealing with unemployment insurance?

Mr. BENNETT: They are dealt with in part, but as I say not in the sense of conferring benefits under it for the premiums paid, except in so far as they may constitute the basis of unemployment, if that is what the hon. gentleman means.

Mr. HEAPS: No, I have in mind the British act, under which benefits are paid to those who are sick or who suffer from invalidity.

Mr. BENNETT: Where unemployment follows as the result of the conditions mentioned in the statute, without going into them in detail, the benefits are payable, of course, but there is no system of what you call health insurance such as you have in private enterprise; there is no method by which policies may be secured such as may be had for accident and ill health. That is distinguished from unemployment. The basis of the premium, and the basis of the scheme, is unemployment.

Mr. MACKENZIE (Vancouver): The Prime Minister knows that under the British act the same statute contains provisions dealing with national health insurance.

Mr. JEAN: Would that be compulsory insurance?

Mr. BENNETT: Yes.

Mr. WOODSWORTH: Is there any provision in this bill for the men now unemployed?

Mr. BENNETT: Not in so far as it is relief.

Mr. WOODSWORTH: Is there any supplemental measure in connection with the bill by which those now unemployed will be cared for?

Mr. BENNETT: Not under this bill.

Mr. WOODSWORTH: Then it seems to me quite obvious that this measure will be of very limited application.

An hon. MEMBER: That is a hope.

Mr. WOODSWORTH: No, the point is that if the bill is based on the earnings of the workmen, and if only upon those earnings he can base any claim upon the fund, I think it is obvious that there is no provision whatever for the half million people who are now unemployed, involving over a million individuals now in receipt of relief. There would seem to be no provision whatever for this great class of people, including those who are now in receipt of relief in their own homes, those who are housed in the various refuges in the cities and those who are in relief camps of various kinds. I think it ought to be made very clear that there is nothing whatever in this bill to provide for the outstanding evils of the depression, which we now face. Further than that, when the Prime Minister speaks of the claims as being based on actuarial experience his observations would mean that for only a few weeks after a man became unemployed could he draw any unemployed benefits. That may be all very well in normal times, but under the circumstances prevailing to-day it would mean that after a very few weeks indeed a man would be no better off than he was before. His claim would be exhausted.

I understand that contributions are to be obligatory. Undoubtedly that will mean that those who are receiving very low wages—and the price spreads commission has revealed that a great many of our people are in that position—will have their present low wages still further reduced, which will work an extreme hardship upon them and means privation to their wives and children. They are not now receiving a living wage, and the contribution here involved would mean a still further diminution of the small amount they are now receiving. That I believe must be a very serious consideration.

I understand any commission set up is to be so constituted that employers and employees will be represented thereon. We are informed, however, that it will be removed from political control. That may be all very well in the case of railways, where only money is concerned, but I believe it is a more serious consideration when we are dealing with human beings. For instance we are told that administration of the new plan will to a large extent rest upon unemployment offices, and that it may be possible to shift people from one particular point to another. Does that mean that a commission quite removed from political control will have power to shift people from northern Ontario down to Quebec or from Manitoba out to Vancouver, and to insist that those people move whether they like it or not? That to my mind is an important question for consideration.

The Prime Minister has referred to the experience of European countries. The experience of European countries during the depression has been that unemployment schemes have failed to function. That is true in England, where supplementary to the regular unemployment insurance scheme they

have had to adopt relief measures commonly known as the dole. I had hoped that in the proposed bill we would find some supplementary provisions which would at least bring us in line with the provision in Great Britain. Apparently, however, there is to be nothing of that kind. The unemployment insurance scheme was originated in Germany some years ago and was carried on in that country very systematically. We recall, however, that as soon as the full force of the depression struck Germany the scheme broke down, simply because, based as it was on the earnings and contributions of the workers, the amounts paid were reduced as also the time during which benefits were paid. The scheme failed to provide for their needs in an emergency.

I welcome the strong stand taken by the government that constitutionally they have the right to do something in this matter. Some of us have pleaded for that for a long time. We have said that if Canada had the right to enter into a treaty she had the right to carry out its terms. I am very glad the government has taken that position, and I hope they will see the matter through. However, when we come to meeting the pressing unemployment situation we are facing to-day I think we must confess that the Prime Minister's statement is most unsatisfactory and most disappointing. It makes no provision for meeting the claims and needs of a vast number of our fellow citizens who for some ten years past have been suffering.

Mr. GRAY: What would the hon. member suggest as the proper way to draft the legislation?

Mr. WOODSWORTH: As I have said I agree with the legislation as far as it goes, but I submit that it helps only a very limited number of people.

Mr. GRAY: How is the hon. member going to help those people?

Mr. WOODSWORTH: That is not a matter to be discussed here. I can quite readily go into it, and shall take an early opportunity to do so. All I want to do on this occasion is to make some general observations and not to go into the matter in great detail. We have not yet the measure before us, but I do think that on the statement made by the Prime Minister it is proper immediately to recognize that, however admirable some provisions in the plan may be, it does not meet the needs of the great mass of the unemployed, and that a considerable time will be required to build up a reserve sufficient to be of much service even to those now at work.

Mr. BENNETT: Mr. Chairman, I greatly regret that the hon. member has seen fit to confuse relief and unemployment insurance. There could be no such thing as a provision for voluntary relief or relief being given to those who are not insured. No actuary would talk about a program for insurance if he had no data upon which to formulate his figures or calculations. Relief is one thing; insurance is another. Unemployment insurance contemplates just what it says, namely the payment of benefits dependent as to their amount upon the extent of the premium payments made by the worker, the employer and the state.

Mr. WOODSWORTH: That was not the experience in Great Britain when they attempted to extend their unemployment scheme.

Mr. BENNETT: In England you have a unitary system of government. That has been said so often that I repeat it simply because the hon. member is well aware of it. I fear this parliament has no jurisdiction over direct relief in that sense, nor has the treaty anything to do with it, nor have the other provisions of the British North America Act anything to do with it. We are now dealing with a national matter in which we provide that if a worker pays three and a half cents a day, if a like sum is paid by the employer and the state makes a contribution necessary to administer the system—amounting we will say to something slightly less than the amount I have stated or possibly slightly more—the worker secures the benefits because of payments made. The actuarial computations are made upon that basis.

Relief is an entirely different matter, and depends on entirely different circumstances. It cannot be the subject matter of actuarial computations. There is not the scientific data upon which to predicate any degree of assistance. As a result of discussions and conferences between those who have the primary responsibility and this government—or this parliament, I should say—contributions in aid are made to meet extraordinary circumstances under which those people are living.

There is a fact that the hon. member constantly disregards, although I do not think he does it purposely. There never has been a time in Canada when due to seasonal unemployment there has not been a very large number of unemployed. Estimates vary, but an estimate was made in 1930 at the time my right hon. friend held office as to what would

be involved under normal conditions. It was learned that there were never less than 150,000 unemployed scattered over the country, after it had reached a population exceeding 10,000,000. There are estimates greatly in excess of that.

In days gone by, before the depression, a workman could accummulate during the summer money sufficient to care for his family during the winter. Some worked only in the winter—or to put it the other way round, worked only in the summer so as to care for their families in the winter. But those reserves have entirely disappeared and been dissipated because there has been no work to enable those workers to accumulate a fresh reserve to deal with the period of unemployment brought about because of the fact that they were seasonal employees. That is the situation that has brought about relief in this country, until that slack can be taken up and employment provided for those who have been seasonally employed, to enable them to provide the reserve to care for themselves and their families as heretofore. It is a problem which the local community, the city, town, municipality and province are dealing with, with the aid and assistance of grants which have been made to all the provinces in, say, some reasonable proportion to their necessities.

But on the next point, as to the condition of the unemployed, that is a matter which we have discussed every year with the provinces. Only a few months ago we discussed it with them, and they may or may not desire to discuss it with us again. Presumably they will desire to do so, in which event parliament will be asked to consider what it conceives to be the best way to deal with it, having regard to the suggestions which the provinces make.

I should like once more to remind the house of the fact that in every instance the manner adopted to deal with the unemployment problem in the several provinces was arrived at by representatives of the provinces in consultation with dominion authorities. There was this limitation, that there were differences as to the extent to which they should secure assistance. Some thought that they should receive a larger sum per month than the sum received, but in every instance the method, using that word in the broad sense, was a method which was approved after a conference between the provinces and the dominion.

Mr. WOODSWORTH: Does the Prime Minister suggest that it is beyond the powers of the dominion government to meet a national emergency such as unemployment?

Mr. BENNETT: I have not any doubt that with the change, the diminution of unemployment, that has taken place during the last fifteen or eighteen months, it would be very difficult, if you follow the language of Lord Haldane's judgment, to assert jurisdiction on behalf of the dominion.

Mr. NEILL: I wonder if the Prime Minister would explain this point to enlighten my ignorance. I understood him to quote section 132 of the British North America Act as giving this parliament the dominant power to disregard or ignore the claims of jurisdiction put forward by the provinces in dealing with this matter, but when he read that section it seemed to me that it referred entirely to giving the Dominion of Canada dominance in the matter of carrying out obligations in relation to foreign countries only, and did not deal with domestic relations inside Canada as between the dominion and the provinces.

Mr. BENNETT: The section in question mentioned specifically the province, and the interpretation placed upon the section by the privy council was the foundation of my observations. I would suggest to my hon. friend from Winnipeg North Centre (Mr. Woodsworth) that it is impossible to deal with the questions he raises adequately until he has seen the bill, and this is not the time at which to read sections. There is not a section before the house until such time as an opportunity has been given to introduce the bill.

Mr. MACKENZIE KING: The Prime Minister has referred to conferences with the provinces and said, if I understood him aright, that whatever was done was done as a result of agreement between the dominion and the provinces. May I ask him, if at one of the conferences, I think two years ago, he did not ask the provinces which of their powers and services they were prepared to surrender? Did he get any answers to that question, and if so, what were the answers?

Mr. BENNETT: The right hon. gentleman is quite correct. The answer that I gave to the hon. member for Winnipeg North Centre was an answer with respect to relief, which was the subject matter of discussion and agreement. But as to the question of the surrender of powers with respect to social services and whether the provinces desired to surrender their powers to the dominion, different views were expressed by different provinces. Some of the provinces, without naming them, were rather anxious that that should be done; others were not, and the question as to the terms and conditions that

some of them might think desirable was vaguely discussed, but no conclusions were arrived at. It was not in any sense upon those discussions that this measure was framed.

Mr. MACKENZIE KING: There was no agreement?

Mr. BENNETT: Oh no.

Mr. POWER: May I ask the Prime Minister what is intended by the words "to provide for a national employment service."

Mr. BENNETT: Was the hon. gentleman in the house when I opened my observations?

Mr. POWER: Yes.

Mr. BENNETT: I pointed out that that was an amplification only of an existing statute that deals with unemployment services, and that it came within the declarations made at the first conference of the International Labour Office after the treaty of peace.

Mr. POWER: I take it, then, that it is intended to extend the labour employment offices that we have.

Mr. BENNETT: To utilize them for the purposes of this measure and to extend the scope of their activities.

Mr. POWER: May I ask what is intended by the words "for aid to unemployed persons?"

Mr. BENNETT: I endeavoured briefly to explain that in this sense: After a man has accumulated a substantial reserve by reason of having made contributions, and has not made a claim for benefits, he might be unemployed for a period that was the maximum provided by the statute; and having regard to the fact that he had not made a claim against the fund there is a provision that would enable him to receive benefits as an unemployed person because of the fact that he did not make a claim against the fund commensurate with the premiums that he had paid.

Mr. POWER: Then in reality it would not be insurance that he was receiving.

Mr. BENNETT: It is to make that clear.

Mr. POWER: But a species of bonus?

Mr. BENNETT: Yes. In life and accident companies, as the hon. gentleman is doubtless aware, if you have an accident policy and you have not made any claim against it, as no doubt my hon. friend has not done, every year there is added to the amount of the policy probably ten per cent. In this instance, in order to make it conform to the general principles that govern matters of this kind, there has been an attempt to make it plain that there is a clear distinction between the payment of an insurance which resulted from the payment of premiums, and the payment of moneys which have not been exhausted in the payment of benefits that a man has not claimed because of his continuous employment.

Mr. POWER: The Prime Minister also says in his resolution: "to provide for other forms of social insurance and security." I take it that the other forms of security are health insurance. But did I understand the Prime Minister to say that we are not going into the health insurance business?

Mr. BENNETT: Not in that sense.

Mr. POWER: Then what is meant by the words "other forms of security?"

Mr. BENNETT: That arises out of the accumulation of funds which have not been utilized—again it is the same thing—for the purpose of payment of claims that might be made for benefits under the fund. The details set forth in the bill seem to me to warrant the use of those words, "other forms of security." It is really another form of security which is not strictly insurance, and it is brought about by reason of the man's own persistence and sound health, his strength and powers of endurance which have freed the fund from claims.

Mr. POWER: It is all part of the unemployment insurance?

Mr. BENNETT: That is right.

Mr. POWER: It has nothing to do with any other species of insurance?

Mr. BENNETT: Not in that sense.

Mr. EULER: The Prime Minister has made it quite clear that this is an insurance scheme and has nothing to do with relief. The man who does not contribute by way of premiums cannot receive any benefits; I think that is quite clear.

Mr. BENNETT: Yes.

Mr. EULER: That is, those who are not employed now or in the future and do not pay premiums will not receive any benefits whatsoever. My colleague behind me says that it is compulsory, that the man must pay; but I say to him that a man who is not employed and has no money cannot be made to pay.

Mr. BENNETT: Quite so.

Mr. EULER: I was going to make a reference to the statement that the scheme is both compulsory and contributory. I was going to ask, although possibly this should be asked later on after the bill is introduced, just what method will be employed for enforcing the contributions. Will the contributions be taken direct from the workman, the man who is insured, or will the payments be exacted from his employer? It occurs to me that if you want to be sure that you get contributions you will probably have to take them from the employer. This question might arise: A man might be making his contributions through his employer over a period of time and then become unemployed, and yet he might still be able to make contributions to continue his insurance. Perhaps the Prime Minister might enlarge on that.

Mr. BENNETT: I can answer one part of the question at once without going into details. Contributions will be made in the first instance by the employer, as the hon. gentleman has well contemplated, and the methods of attaching stamps to cards, and books, and matters of that kind will be dealt with in the act in detail. The general principle however is as he has mentioned.

Mr. EULER: Is there any provision whereby, if he is unemployed, his contributions may be collected?

Mr. BENNETT: If he is unemployed he makes a claim against the fund.

Mr. EULER: But he might still want to contribute to increase the reserve.

Mr. BENNETT: It is contemplated that within a certain number of days he shall make his claim against the fund.

Mr. MACKENZIE (Vancouver): What is the shortest period before benefits are payable?

Mr. BENNETT: That depends on three things: first, the number of contributions; secondly, the period of time within which they are made; and thirdly, the number of days of unemployment that will enable him to make the claim. I think we have adopted a compromise of nine days, but I will verify that in the bill.

Mr. HEAPS: From the remarks made by the Prime Minister it is obvious that this bill does not begin to touch the fringe of the unemployment situation; in other words, it is a bill that does not deal with unemployment but with those who are employed. It makes provision for those who are employed at the present time but who on some future occasion may be unemployed and who will therefore receive benefits to which they have subscribed. To what extent that will ultimately ameliorate the unemployment situation it is probably difficult to state at the present time, but one thing ought to be made clear to the house and the country, and particularly to the people who are mostly affected by a measure of this sort; whilst we are engaged in what is termed a reform parliament, to grapple with social problems of an immediate nature, this bill will not, either at this session or at any future session, touch the great problem of unemployment. That must be borne in mind. The impression has gone abroad, to a very large extent from statements made by hon. gentlemen opposite, by the Prime Minister and those closely associated with him—

Mr. BENNETT: Point out any such statement.

Mr. HEAPS: I will read a quotation from Hansard yesterday to show the impression that may be—

Mr. BENNETT: That is not good enough. Point out from me; I was not here yesterday.

Mr. HEAPS: I said those associated with the Prime Minister.

Mr. BENNETT: The hon. gentleman mentioned the Prime Minister.

Mr. HEAPS: When other responsible ministers of the crown make statements to the house they have at least some effect so far as the people of the dominion are concerned, and this legislation has been looked upon as one of the most important items if not the most important item of the government program to be brought forward in the current session. If that is so, I presume that this legislation is intended, or at any rate the impression has gone abroad that it is intended in some way to deal with the problem of unemployment, which I regard as one of the most important problems which parliament has to face. And yet the bill does not touch the fringe of the unemployment situation.

It is quite true, as pointed out by the Prime Minister, that the number of those who are out of work at the present time has considerably diminished in comparison with the number who were out of work a couple of years ago. I remember that in 1932 when I used the figure of 750,000 persons out of work it was scoffed at by members on the government side of the house; they said that we were exaggerating the number out of work.

Now the Prime Minister tells parliament that the figure has dwindled from 750,000 to approximately 400,000. It might show a tremendous drop, but I have been trying in my own way to ascertain the extent of unemployment in the country, and taking the present period and a year ago I find that the number of people on relief, which is a fairly good criterion of those out of work, has diminished in the large industrial areas approximately ten per cent. In one of the largest cities of Canada I took the matter up with one of the aldermen closely associated with unemployment and he told me that the reason there has been a drop in relief is that those not deserving of relief have been cut off. Having made calculations to-day on the basis of government figures, I come to the conclusion that there must be now approximately 600,000 who are out of work. It is quite true that figures can be both construed and misconstrued, but I venture to assert, in view of relief figures which are so obvious to all of us, that the drop has not been from 750,000 to 400,000, but that there are to-day approximately 600,000 people out of work for whom this employment insurance bill offers not one ray of hope.

Mr. MACKENZIE KING: Has my hon friend made an estimate of the number of persons employed on state funds—those who have been given employment by the state or through state aid?

Mr. HEAPS: No, I have not, but according to the bureau of statistics, on September 1, 1929, there were 1,093,735 persons employed. Coming to the low period of employment in 1932 I find that the index number had dropped from 126·8 in 1929 to 86; and in that year, 1932, the number of persons employed was 789,321, and that had increased by September 1, 1934, to 922,339. There had been therefore, approximately, an increase in those two years of 133,018 persons employed. If we had then in 1932 approximately three-quarters of a million people out of work and there are to-day 133,018 additional employed, then the number of unemployed must be a little over 600,000.

At six o'clock the committee took recess.

After Recess

The committee resumed at eight o'clock, Mr. MacDonald (Cape Breton) in the chair.

Mr. HEAPS: When the committee rose at six o'clock I was making a few remarks on this question. I dealt with the unemployed in relation to this bill. For a number of years past the organizations of unemployed of this country have been petitioning I presume members of parliament and the government with a view to the establishment of a comprehensive unemployment insurance scheme whereby those who are out of work might be able to receive some benefits from it. Unfortunately the resolution now before us which foreshadows the proposals of the government deals with legislation from which I am afraid the unemployed themselves have very little hope of benefiting.

I can well realize that within the confines of the capitalistic structure it will be next to impossible to create an unemployment insurance scheme that will be actuarially sound and at the same time take within its compass the vast numbers of men and women at present out of work. In other words, if we are to have any unemployment insurance scheme based on an actuarial computation, one that can support itself, it is bound to have a very restricted number of unemployed within its orbit. If I remember correctly—and I stand subject to correction because I am speaking now from memory—when the unemployment insurance scheme was first introduced in Great Britain, as was pointed out this afternoon by the Prime Minister, the average number of unemployed computed for was round about five per cent. Since then, as a result of the ingenuity of man and the introduction of modern machinery into the modes of production, unemployment has naturally tended to increase to a very large extent, making it more difficult to have any unemployment insurance scheme which will give all those who are unemployed and cannot be employed in industry the benefits of such a measure. Consequently in Great Britain after the war, probably when large numbers were out of work, their scheme became actuarially unsound and vast sums of money had to be transferred from the national exchequer to the unemployment insurance fund to keep it solvent. I do not know if even at this date these sums have been returned from the unemployment insurance fund to the imperial exchequer. So to-day when we are attempting to deal with this scheme of unemployment insurance, if it is going to be sound actuarially as is apparently the intention in the bill to be founded on the resolution, it cannot take into consideration the vast numbers of people who are at present unfortunately out of work.

I would like to refer for a moment or two to the impression that has been left in this country by the speeches made by the Prime Minister during the past few weeks.

Mr. BENNETT: I would point out that no reference was made to unemployment insurance except in reference to this measure.

Mr. HEAPS: I have not associated any statement of the Prime Minister with the scheme of unemployment insurance alone but I have taken his statement as referring to present general social problems.

Mr. BENNETT: I said that an unemployment insurance measure would be introduced in this house at the present session.

Mr. HEAPS: I quite get the distinction the Prime Minister is making at the present time and probably he is quite correct in the strict interpretation of what he says. I am taking his general statement as distinct from the specific, because it is very hard to tell the vast masses of the people that what the Prime Minister had in mind was something different from what is happening here this evening. To give just a few items of what he recently said, I would quote the following:

The old order has gone and will not return.

When we get such a statement from the Prime Minister—and I quote him for that purpose—I do not disagree with him; all I want is performance equivalent to the promise, and I urge that on the Prime Minister and those associated with him and, indeed, upon all members in all parts of the house. He went on further to say:

I am for reform and this means government control and regulation.

If I wanted to take the time to look up the exact terms he used during the course of those addresses to the people of this country I could find dozens of expressions similar to this where he left upon the minds of the Canadian people a distinct impression that this government was going to undertake some heroic measures of reform so that the whole of the capitalistic system could be made to function in such a way as to lessen the evils from which the people are suffering at the present time. I do not think I am stating the case unfairly.

Mr. BENNETT: The hon. member is. It is a wholly erroneous statement.

Mr. HEAPS: I will take the statement of the Minister of Justice yesterday in the house where he is reported on page 253 of Hansard as saying:

The house undertook the transaction of business one week ago to-day, and to allay any fears on the part of the leader of the opposition I think I can state to him that perhaps the most important, or one of the most important, of the reform measures which has been announced in the speech from the throne will be under discussion in this chamber to-morrow.

I think that is fairly definite.

Mr. GUTHRIE: That is right.

Mr. HEAPS: It no doubt relates to the measure we are now discussing; that is, the question of unemployment insurance is the most important, or one of the most important of the reform measures which the government have to present to this house at this session of parliament. If that be the case, then this is to be one of the measures the government intends to bring to the attention of parliament in order to deal with the pressing problems that now confront us. I claim that in so far as it is going to affect the vast numbers of men and women who are at present out of work it will have very little effect upon their status. I am anxious to see the government implement not exactly the promise but the impression that was created upon the minds of the people of this country by the speeches made by the Prime Minister.

For a number of years I have advocated in this house a scheme of unemployment insurance, and when the Prime Minister pointed out this afternoon that in 1931 a resolution on this subject was introduced in this house, it was my resolution and at that time the Prime Minister gave a pledge that during the lifetime of this parliament he would introduce legislation dealing with unemployment insurance. It is apparent that any scheme of unemployment insurance at this time does not deal fundamentally with unemployment, and I am extremely anxious that the government should undertake at this session of parliament such reform measures as will have a lasting effect upon the economic life of this country. As far as this measure is concerned all it will have the effect of doing is to create some scheme of social insurance whereby the employer, the employee and the state will all contribute to a scheme, and when people are entitled to benefits on an actuarial basis they will receive in the form of benefits about the same amount of money they now receive when they are on direct relief or the dole. I prefer this unemployment insurance scheme to the granting of direct relief, the dole as commonly called, but I point out as strongly as I can that the bill as outlined this afternoon fails to deal fundamentally with the

unemployment situation, and I am anxiously looking forward to the other legislation which the government have in contemplation on the question of hours of work, minimum pay and so on, which I regard as far more important legislation than that introduced this afternoon.

Mr. BROWN: I should like to discuss this question from a slightly different angle from that followed thus far. The Prime Minister has introduced this as part of his social legislation, and it has been received with acclaim in many part of the country. However I cannot but think that many people have given little consideration to the measure and to its possible effects upon various classes of the community. It has already been pointed out that so far as meeting immediate needs is concerned this measure is utterly inadequate. That is, it cannot be considered as emergency legislation. Legislation of this kind would better be introduced in times of prosperity than in times of depression. It is in the seven fat years that we have to lay up for the seven lean years. Where the blame lies for not having done this sooner I shall not discuss at the moment.

The Prime Minister has said that this legislation is based upon the English act. I think it can be asserted without fear of contradiction that to establish an unemployment insurance act in England was much simpler than to do so in Canada. In England to a much greater extent than in Canada men are tied to a particular occupation and a particular section of the country. It is true that in Canada we have a few industries to which this measure would be of easy application, for example the railroads. When men enter railway service it is generally with the expectation of making it their life work. The same might be true of large industrial institutions, and perhaps of large mercantile institutions. But there is a great mass of smaller businesses to which it seems to me it will be impossible for legislation of this kind to apply. Then to a much greater extent than in England our population is transient; men are in Halifax to-day and in Vancouver tomorrow.

Mr. STEWART (Leeds): Well, not quite so soon.

Mr. BROWN: An aeroplane would do it; but let us say some intermediate point. The point is that men are not tied to a particular occupation or to a particular locality. With regard to this large number of transients it seems to me that there will be great difficulty in giving them any practical benefit from this scheme.

[Mr. Heaps.]

Whatever I say in criticism of this legislation, I do not wish to seem to be lacking in sympathy for people who through no fault of their own are unemployed. A large number of people who under normal conditions would be earning good wages have through no fault of theirs been forced to accept relief. We must of necessity have pity for people in that position. Then we cannot but think of the tragic position in which the rising generation find themselves, young men and young women growing up having never learned to work, through lack of opportunity. The effect is indeed deplorable.

While I do not wish to seem to offer opposition to the principle of this proposed legislation, yet I think it is necessary for us to consider the matter from some aspects that have not hitherto been considered. The effects of the bill will reach far beyond the people immediately affected, and it is to some of these possible effects that I wish to draw attention. The intention of course is to provide against temporary unemployment. It seems to me it will affect people according to how they are constituted. Legislation of this kind is likely to be a savour of life unto life and of death unto death. There are large numbers of people to-day on relief who feel humiliated by accepting that relief, who feel that it is beneath their dignity, although they are forced to accept it. There was a tragic illustration of this in Winnipeg a short time ago where it was reported that a woman, having been taunted with being on relief, killed her two children and committed suicide. I am happy to believe that there are large numbers of people who, given temporary relief as provided by this bill, would under normal conditions make good and suffer no deterioration from receiving the benefits provided. On the other hand we are compelled to admit that there is another class, and I regret to say that the number is increasing, who are beginning to say that society owes them a living and are determined to get it whether they render any service or not. True, in these times we cannot apply rigidly the principle that if a man will not work neither shall he eat, though that is a very good maxim in normal times. But I regret to say that the number of those who are willing to live upon the community is increasing; we have abundant evidence of it. A very striking article appeared in a recent issue of the Atlantic Monthly, by Newton Baker, entitled The Decay of Self-Reliance. He gave many illustrations of the effect the present depression is having upon people, such as that of a man and his wife who said they were going to the Chicago fair and then going on relief. He

stated, and it is undoubtedly true, that one of the effects of the English legislation had been to cause men to debate with themselves whether it was better to take the wages offered them or to accept the dole. I am afraid this legislation will to a very large extent increase the number of people who take that attitude towards life.

I realize the difficult circumstances in which we are placed; I realize that the times through which we are passing call for measures we would not think of adopting in normal times, although as I have said a measure of this kind would be better brought forward when conditions were normal rather than in a time of depression. But this legislation is going to have another effect on another class of people; I refer to the taxpayers, wherever they are. The employer who is to contribute to this fund will add the amount of his contribution to the price of his goods, whatever they may be. To a large extent unionized labour may be able to shift the burden also, but the class of people whom I represent, the great agricultural community, never can shift the burden on to anyone. They have to bear it. The effect of this legislation and of all legislation of this nature will be simply to increase the burden placed upon the farmer. He will have to pay a higher price for the things he must buy and there is nothing in this legislation providing that he will get a higher price for the things he has to sell.

It has been stated in the press, though as yet we have not heard it from the Prime Minister, that this legislation is not to apply immediately to agriculture, lumbering or fishing. I presume we will have to wait until we see the bill to find whether or not that is true. If this is to apply to the farmer as an employer then he is up against a double handicap. Not only that, but he is going to be handicapped in the labour market. To a very large extent the relief measures that have been adopted already have handicapped the farmer in that market. One of the effects of the establishment of relief camps has been to make it almost impossible for the farmer to get the help that he needs in order to carry on his work. The supply of farm labour is continually decreasing and becoming less and less efficient.

As I have said, Mr. Chairman, I do not wish to offer opposition to the legislation now proposed, but I do want the house and the country to appreciate some of these effects which perhaps are not apparent to a great many people. I do not wish to discuss the constitutional aspects of the question; I will leave that to the lawyers, but I think perhaps some of us who are not lawyers but who are in close touch with the actual facts and who know our own business can appreciate some of the practical difficulties involved in putting such a scheme into operation. I hope those practical difficulties may not be as great as they appear to me at the moment, but I want to tell the government that legislation of this kind will not be accepted as a substitute for the removal of trade restrictions and the doing of everything possible to facilitate world trade. At the very best, legislation of this kind is called for only because conditions are not what they ought to be, and it can only touch the fringe of the great problems confronting us. The real problems are the removal of trade barriers and, as the hon. member for Vancouver Centre (Mr. Mackenzie) would say, the question of finance. For my part I am inclined to agree with Cordell Hull, who said the other day that even if exchange were stabilized it would not remain stabilized for one hundred and twenty days unless trade restrictions were removed. At the moment, however, I will not discuss which of those two problems is the more important.

I should like to emphasize once more that the people whom I represent, and the great majority of the people on the prairies, cannot accept legislation of this kind as a substitute for other legislation which we deem necessary in order to bring about the measures of relief that we feel the occasion demands.

Mr. HEAPS: Would the hon. gentleman permit a question? Did not the Manitoba government, which represents the farmers of Manitoba, go on record as being in favour of legislation of this nature?

Mr. BROWN: Perhaps they did; I am not saying they did not.

Mr. HEAPS: Then does the hon. member say that he represents the farmers of Manitoba and that the farmer government of that province does not?

Mr. BROWN: I am not saying that the farmers of Manitoba are opposed to this legislation, but it has nothing to offer them directly, and if we accept it it is because we recognize the serious conditions through which the world is passing at the moment. All I say is that we cannot accept it as a substitute for measures which must be brought about if trade is to be freed and prosperity thus restored.

Mr. REID: I believe that the time has come, in the setting up of boards and commissions, when some restrictions should be imposed in order to keep these boards from becoming too expensive. From the Prime Minister's remarks I take it that our act is founded on the unemployment insurance act of Great Britain, and I believe that in that act the overhead expenditure must not exceed six or six and a half per cent. I should like to ask the Prime Minister if there is any provision in this measure to keep down administrative costs.

Mr. BENNETT: This is not the proper time to discuss the details of the sections of the bill, but an effort is being made to limit the expenditure to the lowest possible amount, and to maintain the integrity of the fund by such safeguards as our experience leads us to believe are necessary in this country, as distinguished from other countries.

Mr. MITCHELL: I do not think anyone in this country feels that this is going to be the solution to all the problems of Canada. I believe that is a fair observation. If I understood him correctly the hon. member for Lisgar (Mr. Brown) said that this policy will broaden the basis of taxation in the whole country; at least that was his implication, and he suggested that the farmers would have to bear the burden. I think it is only fair to say that for the last four or five years it has been the other way round. I am not quarrelling with that policy at all; I believe it is a fundamental duty of the state to come to the rescue of those people who, because of circumstances over which they have no control, find themselves under the necessity of having to ask for assistance from the government. If I might give an example I would refer to the drought areas of western Canada. I think it is fair to say that the money for the relief of those areas came out of the general taxation of this country, and I have nothing to say against that.

Mr. VALLANCE: It has to be paid back.

Mr. MITCHELL: The hon. member for Lisgar said that this measure would do something to keep the agricultural industry from getting cheap labour. That was the inference; why not be frank about it? I must absolutely disagree on that point. The hon. gentleman further suggested that the implementation of a policy of this description would cause people to be lazy. If the hon. member would read the evidence given before all the commissions appointed by British governments, whether Labour or Conservative, he would find that it has been explicitly pointed out that the amount of malingering under the legislation there has been of no account whatever.

I am not going to speak at any length, because we are merely discussing the principle of the bill. I do not think this measure is intended to be a solution of our whole unemployment problem. To reach that solution we will have to find an entirely different approach, and in my personal opinion we will have to adopt entirely different legislation. There are two distinct problems. This bill is to deal with the question of unemployment and the payment of men out of work, through an insurance system. There will have to be different proposals. Of course the legislation is based on the English contributory system. I think we should point out further that under the proposed scheme the worker will receive sixty cents for his thirty cents. When the system in Great Britain was inaugurated twenty-one years ago it covered only seven trades involving little more than 2,000,000 employees.

Mr. MACKENZIE (Vancouver): Less than that.

Mr. MITCHELL: I shall not enter into an argument about the figures; I think I am approximately correct. But to-day, after twenty-one years of experience and after twenty-eight major operations on the legislation, over 13,000,000 employees are operating under the English legislation. In the last three or four months they have reduced the age of insured persons from sixteen years to fourteen years, because the board school age in Great Britain is up to fourteen years. Within the last three months they have included agricultural workers within the range of this legislation. With these facts in mind we can see how there has been evolutionary development of this form of legislation. As time has gone on they have, as a result of their practical experience, broadened the range of those who may come under the legislation. I know it would be far better for me to spread all over the map, but it is my candid opinion that if we want to maintain this sort of legislation and if we wish to launch it soundly we must have a sound beginning and then broaden our operations as experience dictates.

I derive the greatest enjoyment from a contemplation of the fundamentals underlying the resolution before us, because it involves a redistribution of income. We will get a great deal more of that before we are through with the policies the Prime Minister has launched. He may not go as far as he

had expected to go, but the next government will have to act, whether they like it or not. Present conditions are a direct challenge to our democratic institutions, no matter whether we have a Conservative government, a Liberal government or a government composed of members of the Cooperative Commonwealth Federation. We cannot overestimate or overlook the lessons taught by Europe in the last ten years. The will to live is the strongest instinct in a human being and one which is inevitably expressed in the nation. This is the direction in which mankind is moving; it may be the wrong direction, but undoubtedly that is the way it is going. The other fellow has fallen down on the job and mankind is trying this new tack.

I am not going to be critical, because I believe there is plenty of time for that when the bill is introduced and we are fully aware of what it contains. I believe at the present time we should act as though we were considering the measure from the standpoint of the benefits it may confer upon the Canadian people. I am well aware of the fact that relief measures must be distinct from unemployment insurance. I would remind the government however that it must not make the mistake of making insurance payments lower than the amount a man could get on relief. If that were done the legislation would fall to the ground. I should like to see the government include in the proposed scheme as many classes of working people as possible.

We have heard about the experience of other countries who have pioneered in this type of legislation and we would find it comparatively easy to profit from their experience. The hon. member for North Winnipeg spoke about labour exchanges. I understand they are used in Great Britain and are recommended in the country to the south of us. I should like to observe however that up to the present the only place where planning has been successful, so far as its effect upon human beings is concerned, has been in the prisons, the army, or the navy, where the same kind of clothes are worn by all.

Our approach to this problem must be in conformity with the desire of our people to come along with us. When this legislation is in operation I have no doubt the individualistic characteristics of the Canadian people will show themselves. I shall not say more at this time because I am discussing only the principle of the legislation, and shall reserve my criticisms of the bill until after its introduction.

Mr. MacINNIS: Mr. Chairman, there are two reasons why I should like not to be critical in anything I say with regard to this resolution. My first reason is that for many years I have been in favour of a measure of this kind, not because I felt it was a solution for the failure of capitalism but because in some way it could take care of the casualties of capitalism. The second reason why I should like to approach it without criticism is the very forceful way in which my friend from Lisgar (Mr. Brown) opposed the measure.

Mr. BROWN: I did not oppose the measure.

Mr. MacINNIS: I can judge only from what a man states as to whether he is opposing or favouring a measure.

Mr. BROWN: I want that corrected. I did not oppose the measure.

Mr. MacINNIS: I will take the hon. gentleman's explanation, but I shall judge from his remarks. However, I am not satisfied at all with the measure proposed in the resolution. I am wondering why in the world so much fuss was made about it in the radio speeches. I am satisfied the hon. member for North Winnipeg (Mr. Heaps) was quite correct when he stated the people of Canada had been led to believe that something more far-reaching than the present resolution would be brought down.

Mr. BROWN: Do I understand the hon. member is opposing this measure?

Mr. MacINNIS: The Prime Minister is reported in the Vancouver Daily Province as follows:

> My friends, I have declared for reform. Now that the time for action has come delay is hazardous.

Then he went on to state the extent of the reforms. We have before us to-night a resolution involving measures which were passed years ago in other countries, some of them the most reactionary countries in the world. Let me give to the house some of the dates upon which unemployment insurance legislation was placed upon the statute books of other countries. The legislation was passed in Great Britain in 1911; in Italy in 1919; in Austria in 1920; in the Irish Free State in 1920.

Mr. POWER: That is not a reactionary country.

Mr. MacINNIS: I did not say all the countries I would mention are reactionary countries; I said some of them were. To continue: The legislation was passed in

Russia in 1922; in Queensland, Australia, in 1922; in Poland in 1924; in Belgium in 1925; in Germany in 1927. In all these countries there was compulsory national unemployment insurance. Other countries had voluntary schemes, such as France, in 1905; the Netherlands, in 1916; Finland, in 1917; Spain, in 1919; and so on.

Mr. DUPUIS: If the hon. member will allow me a question, has he statistics to show the results of the application of this legislation in the countries he mentions, and the cost of it?

Mr. MacINNIS: No, I have not those statistics. All I can say is that what gave this legislation birth in all these countries still exists as a problem to be solved. Furthermore, whatever the cost has been it is the working class who pay it, because no one else could pay it.

Mr. DUPUIS: Has there been less unemployment because of such legislation?

Mr. MacINNIS: No, there has not, and it is not a solution for unemployment. It cannot be put forward as a solution for unemployment.

Mr. DUPUIS: What is it for?

Mr. MacINNIS: It is to take care of those who are unemployed when they are unemployed. My hon. friend from Bow River (Mr. Garland) says: "To elect the government." Everyone has a right to his opinion. But we do know this, that once the law goes on the statute books in any country it is never repealed.

The Prime Minister took exception to the statement of the hon. member for North Winnipeg (Mr. Heaps) that nothing the Prime Minister had said would lead the public to believe that those who are unemployed to-day would not be included in the bill. I have before me the Vancouver Daily Province of January 5 giving a report of the Prime Minister's radio talk of January 4, and I find under the heading, Insurance to Replace Relief, the following report of the Prime Minister's remarks:

> Now that we have achieved some measure of control over economic conditions and can cooperate 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.

I claim that that is a definite statement that the purpose of the unemployment legislation to be brought before this parliament was to substitute insurance for the relief measures that are in effect to-day. It means either that or nothing at all. I am quite satisfied that the Prime Minister's statement was very direct and very emphatic, but this resolution and the bill to be founded upon it does not touch that situation at all. The unemployment problem and the relief problem in this country are one. People are on relief because they are unemployed; and to make provision for those who are employed to-day against some period in the future when they may be unemployed is not touching to-day's unemployment problem.

Again, assuming that conditions are improving and that as we go on with these other reforms and when we get the Liberal government in power, things will boom once more, there will be no need for this unemployment insurance; but in the meantime those who are unemployed to-day are suffering, and there is nothing in this legislation that is going to be of any benefit to them.

That is the reason, Mr. Chairman, why I criticize this measure, although I am in favour of the principle of unemployment insurance, not because it is a solution for unemployment, but because so long as we have the capitalist system we shall have unemployment, for it is just as much a part of capitalism as profits. Every time profits are made, unemployment is created as well, so long as we maintain the capitalist system we should inaugurate and carry out measures to take care of the victims of that system, and a comprehensive system of unemployment insurance will do it, I believe, under the circumstances, better than any other way that we know of at the present time.

Mr. IRVINE: Mr. Chairman, the resolution that is before the Chair is, I take it, the first step in the inauguration of the government's new proposals for reform. May I first of all congratulate the government on what it has proposed to do? I shall, of course, reserve the right to criticize both the principle and the details of such legislation as may be brought down, but at this stage I think congratulations are due the government upon at least having turned its face in a new direction. I think that that is the most significant thing to be observed, not only in respect to this particular proposal, but in respect to the entire legislative program as outlined by the Prime Minister in his radio addresses.

It is strange that some people seem to be sorry that the government has turned its face from destruction and towards something sensible, but I have no criticism whatever in

that regard. The fact that the government has turned its face, or that the government have turned their faces—I am never sure whether we should speak of the government as an individual or collectively, but whatever may be the correct term, the government has turned its face in a new direction. That indicates first that the old methods that have been practised by governments in Canada and other governments in the world to meet the growing crises of the collapsing social order have been abandoned, at all events by this government, and have been abandoned because they proved to be inadequate. In the second place it indicates that the new economics which has been espoused from this corner of the house for thirteen years has at last found some justification. I do not know to what extent the proposed legislation will go, but certainly the government proposes to move in the direction which we in this section of the house have advocated for many years.

If I had any criticism at all to offer at this stage it would be in respect to the objective which the government may entertain. The question that is troubling my mind most is this: Does the government propose to try to repair capitalism by methods of this sort, or has it set its face towards the rebuilding of our economic system? I think that is the point that will determine the ultimate success of what the government is undertaking. So far as I am concerned I frankly say that I do not believe any government can successfully and adequately repair capitalism. I am quite convinced that the longer it goes on, the more serious conditions will become, and while I welcome these repair methods in so far as they may be able to alleviate human suffering during the process of getting wise enough to build a new system, nevertheless I do not desire to associate myself with the idea of repairing the capitalistic order. I believe we should begin to rebuild upon entirely new foundations, and however slowly we may go, every step we take should be towards that objective.

The resolution before the committee is a proposal in respect of unemployment insurance. The Prime Minister has explained t in a general way as sufficiently, I presume, as is necessary at this stage. It is an insurance proposal, and that being so, it must necessarily apply only to those who are qualified to come within the scope of its provisions. I do not believe much good can be accomplished by prolonging the discussion here. I think we should hasten to get the details of the bill and then to judge its merits from the actual clauses of the legislation. But may I say that unemployment insurance has a very limited field, and that field becomes more restricted as the industrial system develops. The time for this legislation was twenty-five years ago. Then it would have done some good, for it would have built up a reserve which would have been of tremendous advantage to the Canadian wage workers during the past four years. The best time to insure a man against death is when he is alive. Now the government is being compelled by the pressure of events, by the threatening starvation of multitudes of the people, to introduce an insurance policy against unemployment at a time when unemployment is almost at its peak. That is like insuring people who already have tombstones at their heads. The government is faced with a difficulty. They had to do something to meet the situation, and while they felt that something had to be done, the economic conditions were inopportune for doing it.

This is perhaps one of the worst periods in the history of Canada for the introduction of such a measure as this, and yet it must be introduced. In that connection I think we ought to remind the opposition, in its criticisms of the measure, that in the years of great prosperity, when the Liberal party had power and when a measure of this sort could very well have been introduced, when its value would have been immeasurable, they did not do anything about it. Now we are faced with a very serious situation indeed and are compelled to take a step of this kind. But unemployment insurance—and this is the point I want to make—is inadequate in any country at any time to meet the industrial situation which has developed under the capitalist system. Personally I believe that the introduction of this principle will mark a beginning, if an inadequate one, in the right direction in so far as it will have meant, to a limited extent, the enabling of the working classes within its provisions to build up a reserve against the time when there will be no work for them to do. That may be extended indefinitely as the need develops, and so I say it is perhaps a beginning in the right direction.

But what we really need is insurance against being denied access to the abundance which mechanical invention and scientific methods of production have made available. And while, under a proposal of this sort, the government will make provision for the insurance of the workers of Canada, I would favour a system that would go much further than that and extend the principle to all the people of Canada, a system that would enable them to

have access to the abundance which our machinery and natural resources have made available. That is of course a matter of finance; it is a matter of using properly the national or social credit to provide purchasing power so that people may be able to buy the goods they produce. When the right time comes I shall be able to expound that theory further and perhaps move amendments in that connection if necessary. At the moment I only observe this, that there are many difficulties in the way of the government in bringing in legislation of this sort in Canada. There are difficulties to be faced in any country, and more perhaps in this country than in any other. As I have already pointed out, the need of the moment is so great that action such as this is demanded; and yet conditions are inopportune for the inauguration of legislation of this sort. But in addition to that the government has to face certain difficulties in the matter of jurisdiction, with which other countries have not to contend.

I for one therefore propose to place no more difficulties in the path of the government than they have now. I want to congratulate them on what they have done and if they go any distance I will cheer them; if they go still further I will cheer them more, and if the opposition should make still more advanced proposals I should gladly commend them also. I do not care which government brings in legislation of this kind or legislation that has for its object meeting in any way, however small, the economic difficulties of our people at this time. Representatives of labour in Canada have asked for this legislation for nearly twenty-five years and this government has been the first to undertake to provide it. Even if it is not all that we may expect, we welcome it as a beginning, and shall look forward with great interest to the remaining portion of the government's program.

Mr. GERSHAW: The resolution indicates that a fairly comprehensive scheme of unemployment insurance is to be set up. Employees, employers and the dominion government will contribute to this scheme, and it would appear that the provincial governments are being largely left out of the picture. And yet we must remember that the provincial governments have been carrying on a great deal of the social work which has been done in this country. They have administered the Mothers' Allowances Act, the Old Age Pensions Act and particularly the Workmen's Compensation Act. They have therefore a great deal of information which would be of considerable use in carrying out the provisions of this proposed act. They have statistics; they have trained staff; and the workmen's compensation boards in the various provinces have payrolls, so that they are in pretty close touch with the employers of labour and with the employees themselves within their respective territories. It would seem reasonable therefore that, instead of setting up an entirely new organization, these experienced people could be made use of and possibly the act administered by the workmen's compensation boards in the different provinces.

I quite agree with the last speaker that the people generally, particularly in Alberta, are looking for something much more comprehensive. Social credit has certainly taken a great hold in that province and in one town there has been erected a large wooden banner across the main street with the words Vote for Social Credit. I feel that many of these people will be looking for much that is more comprehensive than we have in this proposed measure.

I wish to commend one feature and that is the fact that it is contributory, because I believe that an employee who is contributing to a scheme is in a much better position than the employee who is receiving something to which he has not contributed. He has at least a contract and something that he can depend upon when he needs help.

Mr. McINTOSH: I wish to make just one or two observations with regard to the resolution before the committee. May I say that I have followed the discussion so far with a good deal of interest and I shall reserve any criticisms I may have to make with regard to the measure until I see the subject matter of the bill and the actual facts contained in that subject matter.

This afternoon the Prime Minister discussed the question of jurisdiction, and the impression left with me when he was through was that he was somewhat in doubt. I am somewhat in doubt as to the final jurisdiction of the dominion to deal with a problem of this kind. That is the only angle of the question I wish to touch upon to-night. First there is the international and imperial point of view which the Prime Minister dealt with.

Mr. BENNETT: No, international and interprovincial.

Mr. McINTOSH: Did the Prime Minister not quote section 132 of the British North America Act in regard to dealing with the treaty obligations of Canada which bear upon the problem before us because we signed the peace treaty in 1919. I thought that was the

trend of the argument advanced by the Prime Minister, and I notice he admits that I am correct. That section reads:

The parliament and government of Canada shall have all powers necessary or proper for performing the obligations of Canada or of any province thereof, as part of the British Empire, towards foreign countries arising under treaties between the empire and such foreign countries.

That means that so far as any peace treaty or treaty responsibility assumed by the empire with any foreign nation is concerned, since Canada is part of the empire and any province of confederation is a part of the dominion, we are provincially and nationally obligated by that treaty. I quite understand the arguments of the Prime Minister with regard to that provision of our constitution.

Looking at the question, secondly, from a dominion point of view, may I read just a few lines from the report of the select standing committee on industrial and international relations in 1929 when dealing with the question of insurance against unemployment, sickness and invalidity. That question naturally brought up other questions akin to unemployment insurance, such as old age pensions and sickness insurance. The matter of social insurance came before the government in 1921 as a consequence of certain recommendations and conventions growing out of the international labour convention dealing with labour held at Washington in 1919. In 1921 the then Minister of Justice, Hon. C. J. Doherty, put forward his opinion of unemployment insurance based upon these recommendations and conventions of the Washington conference called by the international labour office of the League of Nations. The point of view put forward was this:

In this view—

That is the view put forward by the Minister of Justice at that time.

—unemployment insurance has a pronounced federal aspect—

Not a one hundred per cent federal aspect, but just a pronounced federal aspect.

—and on the whole the minister thinks the establishment of a system of unemployment insurance is competent to the dominion in the exercise of its residuary legislative powers with relation to the peace, order and good government of Canada.

That is another argument supplementing the one made by the Prime Minister when he quoted this afternoon from the constitution of Canada.

Thirdly, there is another and final thought and it is this—the provincial angle. May I refer to the opinion of one of the law officers of the crown. In 1928, when this subject was before the select standing committee on industrial and international relations, Mr. Edwards, Deputy Minister of Justice, was brought before the committee and dealt with the jurisdiction aspect of this very important problem. Mr. Edwards was asked what he thought about the jurisdiction question and this is what he said. This question was put to him:

Would you say that comes within that?

That is, within peace, order and good government under our constitution, or under section 91 of the British North America Act. This is his answer:

Well, I was going on to say that you could not bring it within peace, order and good government so long as it belongs to any of the enumerated items of section 92—

Which of course defines the jurisdiction of the provinces. He goes on to say:

—and my own view is that it is a subject which falls within the general designation of property and civil rights.

That is of course under the jurisdiction of provinces and not under that of Canada or the dominion at all. I take from what the Prime Minister said this afternoon that he bases his conclusion almost entirely on certain judicial decisions that have been made in the last few years with regard to the two very important questions of the radio and aviation. He feels that on the strength of those judicial decisions the constitution of Canada can be made elastic enough to deal with this important problem. I am wondering whether it can or not; I am not going to say one thing or the other, but I expect the Prime Minister and those supporting him to come forward with further evidence to prove that from a constitutional point of view this question is wholly and entirely within the competency of the dominion government, that is, not solely within provincial jurisdiction.

Resolution reported, read the second time and concurred in. Mr. Bennett thereupon moved for leave to introduce Bill No. 8, 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.

He said: It may be useful to make some explanation of the bill that I am about to introduce; or possibly the house is sufficiently

seized of its subject matter to dispense with any such statement. I am entirely in the hands of the house.

Some hon. MEMBERS: Go on.

Mr. BENNETT: The matter of course has been discussed for many years in this chamber. It has been the subject of discussion in provincial legislatures as well. Some of the provincial legislatures have expressed by resolution their approval of unemployment insurance; in other cases no action has been taken except the discussion from time to time. The whole problem of social legislation has, I think, engaged the attention of all the provinces from time to time, as well as of this house. It is now nearly four years since I stated that if this government continued to exist it would submit a measure of unemployment insurance for the consideration of parliament.

The question of jurisdiction I do not propose to deal with at greater length than I have already done this afternoon. It is my judgment that the parliament of Canada has jurisdiction with respect to this matter for the reasons I indicated. Those reasons spring from the duty which rests upon us to discharge our obligations under treaty to Canadian labour. They rest also upon the right of this parliament to legislate for peace, order and good government. They rest also upon the fact that legislation of this character affects international and interprovincial trade, and the maintenance of equitable relations between the provinces is undoubtedly affected by such legislation. In addition to that, if one were driven to it, the power to impose taxation is involved in the question of contributions. On all these grounds, and others that need not be discussed, I am clearly of the opinion, having regard to the decisions in the aviation case and the radio case, that this proposed legislation is intra vires. I might mention particularly the radio case in which there was a summary of the effect of all the decisions, notably the decision reached by the judicial committee in 1929 in the case from British Columbia, in which certain propositions were enunciated by the judicial committee which were approved, as I have said, in the latest decisions of that committee upon the cases argued there during the last few years. Therefore I do not propose to spend any further time in discussing that question.

On the broad problem of unemployment insurance it is hardly necessary to say to a house that is so well informed upon the subject as this that in the first instance the trades unions undertook the responsibility of providing unemployment benefits for their members. The out-of-work members of trades unions were provided with benefits from the union funds. I shall not waste the time of the house to go into that at any length beyond saying that as far as our records show, the amount thus disbursed by the unions in 1933 to members out of work was $198,490, a small sum. These arrangements of course were made between members of unions themselves. Apart altogether from these voluntary arrangements that had been made for many years by trade unions with their members, we have two other main classes, so we are informed by the books on the subject, the first being voluntary insurance based on what is generally known as the Ghent system because it was first successfully organized in that city. Under that system the government made a contribution to the trade unions; the trade union unemployment funds were thus supplemented by contributions from either the state or local authorities. Distribution to those out of work was under the control of the employees themselves, further sums being sometimes obtained from the employers to supplement their resources.

Then of course we have what we are now familiar with and have been discussing at some length this afternoon, namely compulsory unemployment insurance. This form of insurance implies contribution from employees, employers and the state. I discussed at some length this afternoon and will not traverse again the point that the very word "insurance" implies, that a sum is paid by some person or persons for the purpose of providing benefits. The extent of the payments to be made to secure the benefits depends of course upon the number that will claim upon the fund, having regard to the average number over a period of years, and to the sufficiency of the moneys that are provided from the sources indicated to meet the form of indemnity or benefit indicated in the terms of the contract with the persons who pay the premiums. The first great step in that direction as far as we are concerned was in Great Britain. The first mentioned system, however, still has its supporters; that is the system by which the state makes its contributions to the trade union funds and the trade union officers become responsible for the distribution of the moneys and benefits that accrue to the workers. For instance I find that in Belgium, Czechoslovakia, Denmark, Finland, France, the Netherlands, Norway, Spain, Sweden and Switzerland they

still have in vogue the system I have referred to as the first mentioned, that is with contributions by the state or community, whether the local community, a canton or a province, or the federal or national government, and the benefits disbursed by the trade union officials.

Compulsory unemployment insurance schemes are now in operation in Austria, Bulgaria, Germany, Great Britain and Northern Ireland, Irish Free State, Italy, Poland, Queensland (Australia) and Switzerland.

On this continent we have had one experiment tried on a rather comprehensive scale. It will be recalled that the state of Wisconsin a short time ago enacted an unemployment statute by which reserves are to be built up by contributions from the employers and their employees, administered by the state. That law came into force last year and is still in force. The Queensland scheme, to which the hon. gentleman referred this afternoon, I can pass by because I can add nothing to what he has already said. In Austria—and all these it will be noted have come into force since the war—wage earners, except those employed in agriculture or forestry, domestic servants, workers employed by several employers at a time, middlemen, workers in rural districts, except in building trades or establishments with more than five workers, rural workers temporarily engaged in public works, and apprentices, were insured. Employers and workers contributed to the fund equal amounts, while the federal and provincial authorities contributed to an emergency benefit fund. A benefit which varies with the wage class and family responsibility may be paid for thirty weeks and an emergency benefit subject to a needs test.

I need hardly direct attention to the fact that the unemployment insurance measures in force in European countries largely owe their origin to conditions that came into existence since the great war. It was not until 1925 that Bulgaria enacted a measure in which the employers and the workers and the state contribute. The benefits were provided for only twelve weeks in a year. In the Irish Free State they had a system somewhat akin to that in Great Britain, the employer paying ten pence, the worker nine pence and the state less than sixpence a week, benefits being fifteen shillings a week with allowances for dependents.

As was said by the hon. gentleman, in Italy they put forward their scheme and passed it into law in 1919. But it was not until 1924 that Poland adopted a scheme calling for a contribution of one and a half per cent of the wage roll by the employer, half of one per cent by the worker and one per cent by the state. Benefits were paid for thirteen weeks or one quarter of a year, and went up to as high as thirty per cent of the wages, with allowances for dependents. I mention these countries, of which of course we have but little knowledge, because since the war they have found it necessary to depend upon this form of social aid to enable them to grapple with the problems that have beset them as a consequence of the great war.

In Great Britain, as has been pointed out, the first statute was passed in 1911. That was the first compulsory unemployment insurance plan and, as has been said, it was limited to certain industries selected for experiment as being subject particularly to unemployment, namely, construction, shipbuilding and engineering. In 1916 the system was extended to cover workers in a number of war industries, including metal, leather and India rubber workers and the chemical and munition trades, as it was feared they might suffer from unemployment at the close of the war. In 1920 a new measure was enacted extending compulsory insurance to all manual workers and non-manual workers earning less than £250 per annum. Certain classes were excepted, the most important being agricultural labourers, domestic servants and certain persons in permanent employment such as permanent civil servants, school teachers and, by certificate of the Minister of Labour, permanent employees of local authorities and railway companies. The reason for that, of course, is fully apparent. They all have their own plans or schemes which have been developed under actuarial direction, and it was therefore felt that they need not be brought within the operations of the act.

The scheme covered between eleven and twelve million persons; as was said this evening it did in fact, I believe, touch almost thirteen million workers in Great Britain. These contributions were shared about equally between the employer and the employee, and the state contributed approximately one-quarter of the total amount contributed by the other two parties. It will be recalled, in connection with the cost of administration, that it was found that administration costs were somewhat higher than had been anticipated, and advances were made by the state to enable the administration costs to be cared for. Under that act—and bear in mind the length of time that has elapsed since the first experiment was made—benefits for fifteen weeks could be drawn in any one year, with

not more than one week's benefit for every six contributions. Provision was made that an industry, with the approval of the Minister of Labour, might withdraw from the general scheme and set up a special scheme. I suppose readers of old country papers are aware that in many of the large industries in England there are schemes which have been set up by the employers and the employees, and the operations of the general act no longer apply to those particular industries at those particular points.

Mr. GRAY: Might I ask the Prime Minister if that privilege will be maintained in this act?

Mr. BENNETT: Whether the bill will meet just such a case as has been dealt with in England I think may be open to doubt, but it is desired that the opinion of the house should be expressed with respect to that, and if it is thought desirable that something should be done in order to conform to the action taken in England, we should be glad to do so.

In Great Britain, since 1911 when the statute was first enacted, it has been closely linked, of course, to what you might call employment exchanges. It is quite true, as was said this afternoon or this evening, that it would be very difficult if not impossible to think of transporting or transferring labour from Halifax to Vancouver. The conditions which obtain in a closely settled country such as the United Kingdom, as compared with the conditions existing in Canada, make it too clear to be open to argument that we could not use the same facilities for transferring labour in Canada as are used in Great Britain. Nevertheless these exchanges have played a tremendous part in the success of unemployment insurance operations in Great Britain, and in this country it is proposed to maintain the employment offices that have been subsidized, shall I say, by federal aid and that have been maintained under the control of the provinces and the dominion so that the administration of the act may be close to the people concerned, and the employment exchange offices in the various centres will be in a position to undertake a large share of the responsibility for the administration of the act. That has been found in practice to be an invaluable adjunct to the operation of unemployment insurance in Great Britain.

The British act of 1920, it will be recalled, was based on an average unemployment rate of about six per cent, but of course the grave industrial depression that came about in Great Britain increased that rate of about six per cent to 17 per cent in the first year of the operation of the act. The average from 1921 to 1927 was 12·4 per cent. In 1932 the average was 22·1 per cent and the number of unemployed persons in insured industries, as reported by the British Minister of Labour at the end of January, 1933, had reached nearly 3,000,000, the highest ever recorded.

The act was again amended to provide for the payment of what are described as uncovenanted benefits, to persons whose right to ordinary benefits had been exhausted. I touched on that this afternoon. Dependents' allowances were provided, and the rates of contribution were raised. Again in 1924 the act was amended and the benefit rate was raised, but the insurance fund being unable to cope with the demands made upon it, the borrowings from the treasury by the fund amounted to the enormous sum of £115,000,000 sterling.

In 1925 the then Minister of Labour, Sir Arthur Steel-Maitland, appointed a departmental committee under the chairmanship of Lord Blanesburgh, a member of the judicial committee of the privy council, to consider, in the light of the experience gained in the working of the unemployment insurance system, what changes if any ought to be made in that system.

That was a very comprehensive inquiry. It involved the discussion of many matters incidental, shall I say, to the main issue that was referred to Lord Blanesburgh's committee. It happened that, while that committee was sitting, a member of our bar and myself happened to be in England attending the privy council, and we were asked certain questions as to the practice in Canada in connection with certain types of employment. Lord Blanesburgh asked us if we would mind expressing those views to his committee, and Mr. Rowell and myself gave to the committee such evidence as we could make available to enable them to deal with one of the problems they were considering. That was a matter arising out of certain forms of employment and the engagement of certain officials in public activities.

This committee was made up of representatives of workers, employers and local employment committees and others who had a recognized position in connection with the administration of the poor law in Great Britain. It did not report until 1927, and by one of those fortunate circumstances that sometimes arise they made a report that was the basis for very excellent legislation. The report says:

We have found in all quarters a general agreement that the risk of unemployment should

be insured. Nobody has suggested to us that the principle of unemployment insurance should be abandoned. It has been recognized by all who have appeared before us, and we ourselves share the view, that an unemployment insurance scheme must now be regarded as a permanent feature of our code of social legislation.

That was in 1927. Many of those recommendations were immediately embodied in legislation as amendments to the existing law. These included, for instance, the abolition of the distinction between standard and uncovenanted benefits, to which I referred; the scrapping of the rule of one week's benefit for every six contributions, and the substitution of a provision whereby a claimant was entitled to benefit if he had paid thirty contributions in the preceding two years and was "genuinely seeking work." A new class of insured persons, as the hon. member for East Hamilton (Mr. Mitchell) mentioned, came into being, namely those between the ages of eighteen and twenty-one years, for whom lower contributions and lower benefits were prescribed; then the minister's power was abolished to make special schemes, although the two already established were allowed to continue in operation, and authority was given to the Minister of Labour to make grants out of the unemployment fund towards an approved course of instructions for unemployed juveniles of sixteen to eighteen years of age. That was to endeavour to provide some form of additional technical training for those who would subsequently become insured under the act itself. It was in 1930, however, some five years ago, that the "genuinely seeking work" condition was abandoned and the rules for receipt of benefit were altered to enable the claimant to receive benefits if he had paid eight contributions in the two preceding years, or thirty at any time.

In the fall of that year, 1930, perhaps some hon. members will recall that a new commission was set up under the presidency of Judge Holman Gregory, who, by the way, I suppose many of you met when he was in Canada. This commission was appointed to inquire into the working and provisions of the unemployment insurance scheme. Several reports were made. The interim report of June 1, 1931, recommended:

1. A limit upon the period for which benefit might be paid of twenty-six weeks within twelve months following the date of application.

2. An increase in the rates of contribution to nine pence per week for adult men and appropriate increases for other classes.

3. A reduction in the rates of benefits averaging about 11·5 per cent.

4. The application of a rule that applicants for transitional (uncovenanted benefit) should show eight contributions during the two preceding years, or thirty in the preceding six years.

5. The application of a needs test to certain classes.

I believe there must be some within sound of my voice who recall the circumstances connected with the making of that report. Gross abuses had grown up in some localities, and after the closest investigation it was the opinion of the commission that in certain instances the needs test should be applied in addition to the limitation of benefits which had been payable, for the very reason which was mentioned here this afternoon, namely that because of certain conditions which prevailed with respect to other forms of assistance it paid not to work. Therefore there was an increase in some cases and a curtailment in others of the benefits which were granted.

It will also be within the memory of hon. members that before the final report of the commission appeared, the committee on national expenditures, which was appointed in February, 1931, to make recommendations to the chancellor of the exchequer for reductions in expenditures for supply services, recommended an increase in insurance contributions and a reduction in benefits by twenty per cent, and the application of a needs test to all persons applying for benefit who had exhausted their insurance rights. That of course was the prelude to the legislation which was enacted to provide for the lessening of public expenditure. It brought about the noteworthy protest from the judges; it brought about difficulties in connection with other branches of the service, but it was carried through, and reductions were made in every branch of the civil service of Great Britain. This was carried into effect.

Mr. POWER: May I ask the Prime Minister the difference between a needs test and a means test? It seems to me the means test is important.

Mr. BENNETT: In this instance I have used the words that are used in the report, namely "needs test."

Mr. POWER: What is the distinction?

Mr. BENNETT: I am not sure whether or not the words are used interchangeably.

Mr. MACKENZIE (Vancouver): The words used are "subject to a test of need."

Mr. BENNETT: That is the reason the words "needs test" were used. The words describing the test were "needs test," because

it said the needs should be the basis of the right to obtain payment. I think the expression "means test" might have been used in old age pensions cases rather than in cases of unemployment insurance. That is my impression, that the use of the words "means test" was more applicable in connection with old age pensions, and the expression "needs test" was the one used for the purpose of unemployment insurance. That is my present memory of it, but I stand subject to correction, of course.

I was about to say that these economies were carried into effect, because the National Economy Act of 1931 authorized during the period of one month the making of orders in council for the purpose of effecting economies in certain specified services, including unemployment insurance. It will be recalled there was some conflict of opinion on previous occasions as to the action taken by the British authorities, because in their economy act of 1931 they limited the time within which the king in council could pass orders in council providing for economy in all the services. The objection taken by the judges was as to the manner in which their salaries had been reduced. However, as a result of this legislation the provisions of the Unemployment Insurance Act were modified, the rates of contribution were raised to ten pence per week, and there was a reduction of ten per cent in the rates of benefit. The benefits themselves were limited to twenty-six weeks in twelve months. Transitional benefit payments were abolished and transitional payments subject to a needs test were substituted therefor.

The final report of the Gregory commission was not made until November, 1932. It is signed by all the members except two labour representatives who submitted a minority report. This report is said to be—and I believe upon perusal hon. members will agree—one of the most comprehensive documents on the subject ever issued, because it analyzed the economic causes which contribute to unemployment and the reasons we have for the conditions which exist. I think the report will be found in the library, and if any hon. member desires to read a very comprehensive review of the whole problem connected with unemployment insurance he will find it in that report. They found that the greater part of the unemployment from 1923 to 1929 was not due to trade depressions, but to causes that were not transient, including loss of competitive effectiveness, dislocation of employment caused by labour saving inventions and other technical changes, and the divergent movements of prices and costs. That is, the difficulty of any form of international exchange had brought about such a divergent movement of prices and costs that employment and unemployment were difficult to figure upon from week to week. The conclusion was that while unemployment insurance was an appropriate way to deal with intermittent and occasional unemployment, it was quite inappropriate for dealing with chronic and continuous unemployment, the problem of the latter being one of relief coupled with measures of assisted transfer and training.

That was the report, and it is that report which in times past I have desired and endeavoured to make clear should be always kept in mind, as there is a distinction between what you might call unemployment resulting from the conditions of to-day or to-morrow, and that growing condition in which the individual requires assistance. One is to be placed in the category of relief and the other comes within unemployment insurance. One is something for which the payment of a given premium may insure the payment of certain benefits. The other is something which from time to time may be considered adequate for the purpose of insuring a benefit because a condition that is growing does not yield to any system which may be based upon the necessity, for actuarial purposes, of definite figures or averages.

They went further. A dual system of insurance and relief was proposed and the commission recommended that an independent commission be appointed to act as an advisory body to the minister. The age of entry to insurance was to correspond to the school leaving age, and the limit of income was to be raised from £250 to £350.

With respect to the conditions relating to benefits, the commission recommended in general the retention of those conditions in effect, but favoured the principle of relating the period of benefit to the record of recent insurable employment. They proposed that the maximum period of benefit for workers with a good record would be thirty-nine weeks, and that the benefit period should range from thirteen to thirty-nine weeks, instead of having a uniform limit of twenty-six weeks. In other words, it was found by experience that the premium paid on the average would warrant the benefits being paid for a longer number of weeks than it had heretofore been paid, and it was extended to a maximum of thirty-nine weeks instead of the twenty-six weeks which was the limit at that time.

There was further reference made to the cases I mentioned this afternoon where the individual had a long record of continuous employment without making any claims upon the fund. In adjusting the benefit period account would be taken of contributions paid and benefits drawn in a period of the past five years, and the assistance scheme was to be administered by local authorities. That is, as distinguished from insurance which was a national matter, the assistance or relief was to be dealt with by the local authority, assisted by a body in the form of a statutory committee called the unemployment assistance committee, to determine the rate of payment to be made to the individual for assistance in each case, and to cooperate with the Minister of Labour in providing occupation and training for persons in receipt of assistance.

In England the practice is, at least under this statute, for the person out of employment to register at the employment exchange and then apply to the local authorities for assessment of the rate of payment, or for what may well be described in this country as relief, and payment will be made by the local authority or by the exchange acting as its agent.

The two labour members signed a minority report; they found that the provisions for a dual system were unsound. The hon. member for Winnipeg North Centre (Mr. Woodsworth) argued this afternoon that insurance and relief should be made part of the same measure. I submit to the house that that is an unsound proposal. That was the view of the majority report, but the two labour members thought it unsound to divorce the one from the other for reasons that were apparent and that need not be discussed. They proposed a scheme administered by the Minister of Labour through the employment exchanges and covering all manual workers and all salaried workers earning less than £350 per annum, and that these persons should be included in the scheme so long as they remained unemployed and complied with the conditions. Obviously such a condition as that could mean nothing but national bankruptcy, and the majority could not agree to it.

This last year, 1934, it will be recalled that the British government introduced a new bill consolidating the existing acts and modifying to some extent by amendments to the old legislation the principle upon which they had heretofore acted. That bill amended the Unemployment Insurance Acts of 1920 and 1933, and provided a new act, the act of 1934. It reconstructed the whole scheme, and it embodies many of the recommendations of the royal commission. I fancy it is the statute which the hon. member for Vancouver Centre (Mr. Mackenzie) has before him at the moment, and from which he read a moment ago. It embodies in the main the recommendations of the royal commission.

I leave it at that because before this bill was prepared I thought it desirable to communicate with the British authorities and discuss the matter with them in the light of their wide experience. I asked one of my secretaries who is with me at the moment to make the necessary arrangements to confer with the British authorities in connection with their proposed legislation which has since been introduced and passed, and they were good enough to make it possible for us to avail ourselves of the bill which they were preparing and to give us the benefit of their wide experience by way of suggestion and otherwise in connection with the legislation that is now before the house. I shall not do more than mention that, because when the bill is before the house it will be found that many sections are sections taken entirely from the act of last session in Great Britain, so modified as to be applicable to the conditions of a country such as this where you have relatively so small a population scattered over so vast an area.

The German statute I shall not go into at length, except to say that as it now stands it was enacted in 1927. It provided an entirely different scheme, involving a levy of three per cent on the payrolls of industries covered by it. In other words, you covered the scheme by industries, and the fund was created by a flat three per cent levy on the payrolls. It will be within the memory of most members that at least one, if not two, of the provinces have a form of raising revenue for purely local purposes by making a tax upon the payrolls, and that of course, if this scheme were adopted, would mean a double tax upon the payrolls. While the scheme has worked out fairly well in Germany it has been found necessary to increase the percentage levy in order to meet the demands upon the funds. In the first three years of its operation the scheme ran greatly into debt; in fact, at the end of three years it owed the treasury of Germany 1,410,000,000 reichsmarks. The rate of contribution was therefore raised to six and a half per cent, and in the years following 1931 deficits have been turned into a surplus. Contributions as well as benefits in Germany are on a percentage basis. Equal contributions are made by the employers and by insured persons. The state does not contribute to the cost of regular insurance benefit, but may

advance money by way of loan. The insured persons are grouped in eleven wage classes, according to weekly wages, and a basic rate is fixed for each class upon which contributions and benefits are calculated.

The waiting period under the German scheme is fourteen days for persons without dependents, seven days for persons with not more than three dependents, and three days for persons with four or more dependents.

I do not propose to deal with other plans at length because I fancy the industry of hon. members of this house has been such that they have read the standard authorities upon the subject and have gone into more of them than I think it perhaps is desirable to mention to the house at this time. But I do mention the Wisconsin plan in passing because Wisconsin has always been in the front rank of states dealing with social problems, and their scheme has only just gone into operation. Whether it will ultimately succeed in the way it was planned I cannot say, especially if the United States government carries forward its plan for a national scheme. In preparing the bill which I seek leave to introduce we have endeavoured to profit by the experience of all countries in which unemployment insurance has been made a part of their system. The international labour office at Geneva came into being, as is well known, not as a part of the League of Nations, but by reason of the provisions of the convenant of the League of Nations, and is maintained at Geneva by all the signatories to the covenant and by the members of the league as well. It has been contended that some may be actively interested in the work of the labour office although they are not members of the league, and notably is that so in the case of the United States of America, but the regulations of the league itself set forth that those countries that are members of the league must as a matter of necessity also be members of the international labour office. The international labour office, which is a clearing house practically of the thought of all the world with respect to questions of this kind, has gone into the matter from time to time with great care, so much so that, as is known, last year they formulated their ideas, as a result of sifting all the information they had received and the suggestions that had been made as to how legislation should be framed, into a convention, which doubtless many members of this house have read.

Now no country has had a genius for dealing with social problems to the same extent as Great British. They have known the times

when to take occasion by the hand and make the bounds of freedom wider. They have had great success in dealing with these problems. I have heard men well able to speak with authority say that in their opinion the social legislation of Great Britain was responsible for the measure of tranquility that prevailed in that Kingdom during the darkest days of the depression when there was much agitation and difficulty in other parts of the world. Of course, to compare conditions in Great Britain with those in Canada is somewhat difficult. I do not desire to repeat what I have already said with respect to that unitary system of government with one parliament that deals with domestic problems, with local problems of the smallest character as well as with problems of the greatest magnitude, and with respect to whose enactments no question of constitutionality can ever arise, because there is a different condition to consider there from the condition in which you have nine provinces each enjoying exclusive legislative jurisdiction, under section 92 of the British North America Act, with respect to many matters, and a parliament which is charged with responsibility for the maintenance of peace, order and good government throughout the dominion and which has exclusive jurisdiction with respect to the many matters specifically mentioned in section 91. Then you have the field in which there is concurrent jurisdiction, with the provision that when there is a conflict between the exercise of legislative power by the province on the one hand and the exercise of power by the dominion on the other, the dominion shall prevail. There is a vast distinction between the conditions that exist in a country such as Great Britain and in a country such as this.

Relief, undoubtedly, as has been said so often in this house by hon. gentlemen opposite as well as by members on this side, is primarily the concern of the local authorities, just as in England it is also the concern of the local authorities. There, with a single parliament, the extent to which the poor law shall be administered by grants in aid from the central treasury is a matter to be considered from time to time in the light of the necessities that arise and the requirements of the particular communities; and it is rather difficult to see how it is possible in that great parliament to deal with the smallest matter of poor law aid in some remote community where, with the aid of public spirited men acting in an advisory capacity, and usually if not always in an honorary capacity, they

are able to administer the most trivial detail of local necessity through the instrumentality of those local committees and the boards that are set up, and the central treasury at Westminster.

In this country we recognize the fact that the primary responsibility for relief itself rests with the local authorities, the local authorities being largely the creation of the legislatures of the provinces; and in extreme cases, where there has been something of a national character requiring assistance, then we find the dominion making either grants in aid, as has been done in times past on many occasions, or taking over the entire responsibility where you have a drought stricken area in which hundreds of thousands of men, women and children find themselves without any means whatever. There you find the federal authority undertaking the administration in these local communities of relief and assistance.

Now the examination of the report of the British royal commission will indicate at once the magnitude of the problem and the reasons why it is believed that a form of unemployment insurance is necessary. I think one of the speeches this afternoon or this evening sufficiently indicated why this is desirable. I think the hon. member for Lisgar (Mr. Brown) pointed out, what is well known to be the fact, that this is an effort on the part of parliament to provide that benefits shall accrue to certain named classes, they themselves contributing to the fund that insures the benefit and being assisted by the state; because it is believed to be in the interests of all Canadians that such a form of assistance should be given rather than that they should go on relief. That is true.

With respect to another matter, the hon. member for Lisgar was entirely right when he said that in days of depression you cannot begin to operate an unemployment insurance plan. But, as I have pointed out frequently and again point out to-night, the idea is this —that we are making a movement towards improvement, that we have already improved, that we shall continue to improve, and that we have learned from experience how desirable it is, at the very threshold of improvement, to take advantage of the possibilities of that improvement and to see to it that there shall be adequate provision for self-support on the part of those who are so vitally concerned.

In no captious spirit—because I am not discussing this in any narrow party sense—in no captious spirit, I say, nor yet in any spirit of criticism do I say that if in 1922 this legislation had been enacted, between then and 1930 there would have been this peculiar condition—a continued increase in employment and therefore in volume of the fund and a continued lessening of demands upon the fund as employment increased, so that the reserve would have been very great. In other words, the more prosperous the community grew between 1922 and 1930, because of the great improvement that was going on throughout the world, winding up in the spectacular debacle of 1929-30, you would have had by this fixed assessment upon the employee's wage a very large fund accumulating; and because he was relatively so little out of work during that period throughout the world, and especially in Canada, there would have been a very large reserve available for purposes so much required.

I mention this because it is rather important to keep in mind that fact. That is the reason why at this time we believe it is desirable to prepare this legislation and submit it to the house. It is the reason why in 1931 I indicated to the house that in my judgment it should be done, and it is the reason why I still believe it should be done. Now I will give a few figures with respect to these periods of time. They are figures that have been supplied by the bureau of statistics and they have reference in the first instance to the fact that in the census that was taken we asked every individual enumerated whether or not he or she was out of employment. And you will recall that I gave you figures the other evening from Mr. Cudmore's memorandum as to the number that were wholly out of employment and the number out of employment part time.

It is not possible to arrive at any sound conclusion from one year or two years; you must, I submit, have some average whereby you will be able to draw a fair inference having regard to the general business cycles of the world. We have taken therefore for our actuarial computations the years from 1921 to 1931 inclusive,—that is, eleven years. In the nine years from 1922 to 1930, the number of workers corresponding to those covered by the bill which I now have the honour to introduce averaged 1,605,833 persons. That is, on the average, under this bill, there would be under its operation 1,605,833 persons. Now here is the amazing fact supporting what I have just submitted to the house. The number losing no time at all during that period, 1922-30, was the very large figure of 1,125,689. The number losing some time was 480,144. The percentage losing

some time was therefore 29.9 per cent. The average weeks lost by the idle was 18.4 per cent and the average weeks lost by all workers was only 5.5 per cent. The idle percentage for the period was 10.6 per cent.

The figures on which these actuarial calculations are made cover altogether an eleven year period, the years 1921 to 1931 inclusive. In 1921 the average percentage idle was 11·8 per cent and in 1931 it was nearly double that, being 22·5 per cent, the average over the eleven years being 12·5 per cent.

I believe it will be the wish of the committee to have before it the actuarial table prepared by Mr. Andrew D. Watson, chief actuary of the dominion Department of Insurance, and Mr. Hugh H. Wolfenden, a consulting actuary, on which table we have acted in the preparation of the measure which we have submitted to the house. They are both Fellows of the Institute of Actuaries of Great Britain as well as of the Actuarial Society of America, and they enjoy an international reputation. While possibly there is no duty to have these reports printed, it might be desirable to have them printed between now and second reading of the bill so that every hon. member may have before him a copy of the information which has been compiled on the report of the bureau of statistics, based as I have said upon the reporting firms as well as upon the information derived from the census of 1931.

I realize that necessarily there are imperfections in a measure of this character. I do not for a single moment suggest that it is free from imperfections, but as we are all desirous and have expressed our willingness to enact such legislation I can only say that the government will view with the greatest pleasure and satisfaction constructive and timely suggestions from those who sit in any part of the chamber in order that the legislation when completed may serve to the very greatest possible extent the demands and necessities of those whom it is sought to benefit.

Mr. MACKENZIE KING: Before the Prime Minister concludes his remarks may I ask him a question? He said that he had some doubt for some time as to the intra vires of a measure of this kind. Can he inform the house how recently he became satisfied in his mind that the measure that he is now introducing would be intra vires?

Mr. BENNETT: I do not think the house is greatly interested in the exact moment when like Saul of Tarsus journeying to Damascus I saw the light. But I have given consideration to the legal aspect of this matter. I once practised law, and I would like to say to the hon. member for Yorkton (Mr. McPhee), not with the measure of success he indicated; nevertheless I have given a great deal of study to the matter and I convinced myself that the effect of the treaty statute, to which perhaps I should have directed my attention earlier than I did, and the two decisions of the privy council to which reference was made last evening, warrant the conclusion at which I have arrived.

Mr. GRAY: Before the Prime Minister takes his seat, may I ask him a question?

Mr. BENNETT: This is not the proper time. There is no debate on the introduction of a bill.

Right Hon. W. L. MACKENZIE KING (Leader of the Opposition): Mr. Speaker, as the Prime Minister has just said, this motion being one for leave to introduce a bill it is not proper that a debate should take place at this stage, neither is it expected that, on the part of the member of the government introducing a bill, more than a word of general explanation would be given at the time he is asking for leave to introduce his bill. But I hasten to say that I think the review which the Prime Minister (Mr. Bennett) has given to the house of legislation on unemployment insurance in other countries and the history of it in Great Britain will be distinctly helpful to hon. members in their consideration of this measure and it is altogether appropriate that it should have been given at this time. As I have said there is no discussion on the motion for leave to introduce a bill and debate is not expected at this stage unless it is intended to oppose the motion. 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. We would have welcomed it still more had it been introduced, I shall not say at the first session of this parliament—

An hon. MEMBER: In 1928.

Mr. MACKENZIE KING: —but at the second or third session, in order that this house might have had opportunity to give to a measure of such magnitude the due consideration which ought to be given to all aspects of a bill of this kind.

The Prime Minister has referred to the genius of the British people in dealing with social questions. If I might agree with him

in that, I would add that the reason the British people have a genius in these matters is that they do not proceed by leaps and bounds in dealing with important measures which affect the whole nation, but the British method is that of nature herself which never hastens but also never rests. The British method recognizes the importance of growth in matters of this kind. Had we at least had the question of jurisdiction cleared beyond all doubt at one session, and had we had such conferences with the provinces that we might have known their attitude toward matters of this nature, we would have been in a much better position to deal in a satisfactory way with this legislation some time ago, or than we are at this time. It is regrettable that we have had to wait until the last session of this parliament to consider a national unemployment insurance scheme. But with a measure at last before us, may I say on behalf of myself and the members of the opposition that we shall endeavour in the words of the Prime Minister to be constructively helpful in the passage through this house of such provisions of it as may on their merits commend themselves to us.

Motion agreed to and bill read the first time.

Mr. MACKENZIE KING: Is the bill available for distribution?

Mr. BENNETT: It is not available for distribution in the form in which it has been moved. The preamble has been added to it. It was the preamble that I had to deal with on Saturday last, as I explained to the house.

Mr. HANBURY: It has been under consideration for a year.

Mr. BENNETT: It has been under consideration for some time and the preamble has just been settled, but I do not apprehend it will take long to complete the English copy. The French copy may take longer to complete because of translation. The bill will not be moved on its second reading until it is printed in English and in French.

Mr. MACKENZIE KING: May we expect to-morrow to receive copies of the bill in English?

Mr. BENNETT: I cannot answer that question definitely. I can send the leaders of the parties copies of the bill with the amendments that have been made typewritten in before it is printed, and I shall be glad to do so to-morrow.

Mr. MACKENZIE KING: If the right hon. gentleman will send us copies when the bill is distributed generally, that will be satisfactory.

ROYAL CANADIAN MOUNTED POLICE

EXTENSION OF PENSION PROVISIONS AND DISTRIBUTION OF FINES AND PENALTIES

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

That it is expedient to amend the Royal Canadian Mounted Police Act to provide that military service in South Africa may be counted for the purposes of pension, and to make further provisions in respect to the application of penalties and to contributions to the dependents' pension fund.

Motion agreed to and the house went into committee—Mr. MacDonald (Cape Breton) in the chair.

Mr. MACKENZIE (Vancouver): How many are involved in this?

Mr. GUTHRIE: This is not a very extensive financial operation. Certain persons who served in the South African war subsequently joined the Royal Canadian Mounted Police. Members of the militia who served in that war and subsequently became attached to the permanent force of Canada were permitted to count service in South Africa as part of their service for pension purposes, but this course was not adopted in regard to the Royal Canadian Mounted Police. There are at most five, possibly only three, members of the mounted police force who would be entitled to count service in South Africa as part of their time for pension purposes. This bill, if adopted, would enable them to do so on payment of the arrears into the pension fund. That is the main feature of the bill. The other is merely to provide for the distribution of the fines and penalties which have accumulated in a fund in the hands of trustees, and to enable contributions to be made from that fund to dependents of members of the force.

Mr. CHEVRIER: I have no quarrel with the resolution, but last year in the civil service committee representations were made from various quarters of the civil service about some addition being made to the Superannuation Act for the purpose of extending its provisions to, for instance, the soldier settlement board and other branches of the service to which at present the act does not extend. The government did not see fit to concur in the recommendations of the committee in that regard. This amendment would operate on the line recommended by that committee. I do not see any reason

why we should make fish of one and flesh of the other. I hope this may serve as a precedent for the opening of the Superannuation Act so as to extend the same measure of justice to other branches of the government service to which at present the Superannuation Act does not apply.

Mr. GUTHRIE: I am afraid I am not in a position to answer my hon. friend's question or give any assurance in the matter. I have a very hazy recollection of the proceedings of the civil service committee; I remember that it did report, but whether its report was adopted by the house I do not know. This is such a minor matter that I do not think it will establish a precedent one way or the other. The commissioner told me today that he thought there were only two men involved, but he said certainly not more than five. It is merely to give them the same treatment as was accorded to members of the permanent force.

Mr. CHEVRIER: I have no hesitation in voting for this resolution, but the minister says it is a small matter. That may be, but why not extend the same measure of justice to those who constitute a larger number?

Mr. POWER: Does this measure apply to persons formerly in the civil service who were blanketed into the Royal Canadian Mounted Police by legislation last year or the year before?

Mr. GUTHRIE: No, it applies only to those who served in the South African war.

Mr. POWER: But the minister will remember that either last year or the year before a large number of civil servants, employees of the Department of National Revenue, were blanketed into or transferred to the Royal Canadian Mounted Police. Are the persons affected by this act among those who were so blanketed in, or are they original members of the Royal Canadian Mounted Police?

Mr. GUTHRIE: I do not think they were among those blanketed in. I think these are old members of the force who never were in the customs service at all.

Sir EUGENE FISET: But if any of the men transferred from the excise forces last year are old South African veterans they will come under this bill. I think there were one or two.

Resolution reported, read the second time and concurred in. Mr. Guthrie thereupon moved for leave to introduce Bill No. 9, to amend the Royal Canadian Mounted Police Act.

Motion agreed to and bill read the first time.

INTERPRETATION ACT AMENDMENT

Hon. HUGH GUTHRIE (Minister of Justice) moved the third reading of Bill No. 3, to amend the Interpretation Act.

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

REPRESENTATION ACT AMENDMENT

Hon. HUGH GUTHRIE (Minister of Justice) moved the third reading of Bill No. 4, to amend the Representation Act, 1933.

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

CRIMINAL CODE AMENDMENT

JURIES IN SASKATCHEWAN—DURATION OF RACE MEETINGS

On the order:

Third reading of Bill No. 5, an act to amend the criminal code.—The Minister of Justice.

Hon. HUGH GUTHRIE (Minister of Justice): Mr. Speaker, for reasons which I will state in a moment I am going to move that this bill be referred back to the committee of the whole house with instructions to amend the clause in respect of the jury system in the provinces of Alberta and Saskatchewan. My reason for making this motion is that since the bill was given second reading the province of Alberta has made representations that it does not want any amendment to the criminal code in respect of that province.

Upon investigation we find that a jury system of six jurors in criminal cases has been in vogue in Alberta since a time prior to the entrance of that province into confederation. It existed under the provisions of the old Northwest Territories Act. That system has been continued as originally started without any amendment of the criminal code whatever, and the law officers of the province of Alberta now ask that there be no interference or change in the criminal code of Canada which would affect the old established jury system of that province. On the other hand the province of Saskatchewan desires the amendment. As the amendment was drawn it applied to both Alberta and Saskatchewan. Now I will ask leave to amend the bill by striking out the word "Alberta" in that sec-

tion and allowing the amendment to apply only to the province of Saskatchewan. This is at the request of the law officers of the province of Alberta.

I therefore move that the bill be not now read a third time but that it be referred back to the committee of the whole house.

Motion agreed to.

PENSION ACT AMENDMENT

Hon. D. M. SUTHERLAND (Minister of Pensions and National Health) moved the third reading of Bill No. 6, to amend the Pension Act.

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

QUESTIONS

(Questions answered orally are indicated by an asterisk).

UNEMPLOYMENT RELIEF*

Mr. POULIOT:

1. Did the Right Hon. R. B. Bennett declare before the Toronto Conservative Business Men's Club on January 19, 1932: "Every cent of the $20,000,000 voted by parliament for unemployment relief at the September, 1930, session had been of incalculable value"?
2. Was that sum of $20,000,000 entirely spent?
3. If not, what proportion of it was spent and why was it not spent in full?

Mr. BENNETT: The other day I pointed out that I cannot answer the first part of this question. 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 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.

BANK OF CANADA APPOINTMENTS*

Mr. RAYMOND:

1. Since July 3, 1934, the date of the enforcement of the Bank of Canada Act, did the government appoint any persons for the management of same; if so, what persons have been appointed and to what positions respectively, where were they residing when appointed and on what dates were they appointed?
2. Are there any other appointments to be made by the government?
(a) If so, why were not such appointments made?
(b) When will such appointments be made?
3. What other appointments of officers or employees have been made by the provisional administrators of the said bank, what are their names, where were they residing when appointed, when were they appointed and what are their duties?

Mr. BENNETT: This question is not in proper form. I would point to the second part of the question reading:

2. Are there any other appointments to be made by the government?
(a) If so, why were not such appointments made?
(b) When will such appointments be made?

These are both questions which this house has indicated should not be asked. I have already answered both questions in replying to a question asked at the opening of the house one day. In regard to the third part of the question, the government has no record at all. I suppose it might be secured, but that would be extremely difficult.

TRANS-CANADA HIGHWAY*

Mr. MACKENZIE (Vancouver):

1. How many miles of the trans-Canada highway remain: (a) unconstructed; (b) partially constructed?
2. Of such, how many miles remain to be completed: (a) in Ontario; (b) in British Columbia?
3. What is the total estimated cost of completing the trans-Canada highway?
4. Of such total cost, what is the estimated cost in: (a) Ontario; (b) British Columbia?

Mr. BENNETT: Part of the information in that respect would have to be obtained from provincial sources.

Mr. MACKENZIE (Vancouver): I mean as far as the information is available here.

Question stands.

GARIBALDI PARK*

Mr. MACKENZIE (Vancouver):

1. Has the government taken into consideration the requests from British Columbia for taking over Garibaldi park as a national park?
2. Is the government prepared to make any statement with regard thereto?

Mr. BENNETT: The answer to the first question is yes and the answer to the second question is no.

LEAGUE OF NATIONS—RUSSIA*

Mr. POULIOT:

1. Did the Canadian delegation sign, on or about September 15, 1934, an invitation to the U.S.S.R. to join "and bring its valuable collaboration to" the council of the League of Nations?
2. If so, who signed this invitation on behalf of the Canadian delegation?
3. Did the assembly, on or about September 17, 1934, refer to the sixth committee the question of admitting the U.S.S.R.?

Mr. BENNETT: The hon. gentleman is not in his place, and perhaps it might be desirable to have the question stand until he

is here. The whole circumstances in connection with the admission of Russia to the League of Nations are covered by the report made by the Canadian delegates to the fifteenth assembly of the League of Nations, laid on the table of the house in English and French a few days ago. They will be found at pages 6 and 21 of that report. That is the answer, but the hon. member may wish to have the question stand.

MR. HERMENEGILDE BOULAY*

Mr. MICHAUD:

1. Was a claim made to the government by Mr. Hermenegilde Boulay, of Kedgewick, Restigouche county, New Brunswick, as ex-member of the House of Commons, on his own behalf and of several others, for compensation for loss of property by forest fire at Oliver through negligence alleged by claimants on the part of members of the Royal Canadian Mounted Police?
2. If so, what is the amount of the claim?
3. Has the claim been paid?

Mr. GUTHRIE: I will answer this question verbally. The answer to question No. 1 is yes. The answer to question No. 2 is $2,500. The answer to question No. 3 is no.

TERRITORY OF AFGHANISTAN*

Mr. POULIOT:

As Afghanistan is now a member of the League of Nations, has Canada in its capacity as a member of the league assumed by that fact certain obligations relative to the defence and the integrity of the territory of Afghanistan, and are those obligations reciprocal?

Mr. BENNETT: That also is covered by the report to which I have referred, in which a full statement is made of the circumstances under which Afghanistan was admitted to the League of Nations.

QUESTIONS PASSED AS ORDERS FOR RETURNS

DUNDURN, SASK., UNEMPLOYMENT CAMP

Mr. SPENCER:

With regard to the unemployment camp at Dundurn, Saskatchewan,—
1. Who does the purchasing?
2. Who supplies the provisions?
3. What are the general prices paid, and on what basis are they agreed upon?
4. Who does the trucking of these supplies?
5. Is the truck used at night?
6. What is the driver's name?
7. Who is the cashier?

BRITISH WORLD TRADE

Mr. POULIOT:

What proportion of the world trade did the strictly British trade represent, that is to say, between Great Britain and the British possessions: (a) from September 1, 1929, to August 31, 1930; (b) from September 1, 1930, to August 31, 1931; (c) from September 1, 1931, to August 31, 1932; (d) from September 1, 1932, to August 31, 1933; (e) from September 1, 1933, to August 31, 1934?

EXPORTS AND IMPORTS

Mr. POULIOT:

From September 1, 1930, was the total amount: (a) of Canadian imports and (b) Canadian exports, each month, larger, equal or smaller than the total amount: (a) of the Canadian imports and (b) of the Canadian exports during each corresponding month, from September 1, 1929, to August 31, 1930?

Mr. POULIOT:

1. From January 1, to December 31, 1934, was the monthly amount: (a) of Canadian imports, and (b) of Canadian exports larger, equal or smaller than the total monthly amount: (a) of Canadian imports, and (b) of Canadian exports, during the same period of 1930?
2. If there is a difference between 1930 and 1934, how much more or how much less is it?

Mr. POULIOT:

Were Canada's imports from and Canada's exports to Great Britain and other British countries larger or smaller in the twelve months ended August 31st: (a) 1931; (b) 1932; (c) 1933; (d) 1934, than in the twelve months ended August 31, 1930?

TITLES, HONOURS AND AWARDS

On the motion of Mr. Mackenzie King:

That, in the opinion of this house, the Prime Minister should refrain from recommending to His Majesty the King the conferring of any grade of the peerage or of any order of baronetcy or of knighthood upon any of His Majesty's subjects resident in Canada.

Mr. MACKENZIE KING: To-day we have had the introduction of one measure of social and industrial reform, and I suppose that is only the first of a number of measures. I think it is important that possibly the house should give its attention to those questions before it proceeds to the consideration of others. I therefore purpose not to proceed with the resolution which stands in my name at the present time but to give opportunity and time for the immediate study and discussion of industrial and social questions.

The ACTING SPEAKER (Mr. Bury): Stands.

Mr. WOODSWORTH: May I suggest it is hardly fair to members whose resolutions appear on the order paper to have them called at this late hour. To-morrow is the regular day for private members' motions, and I suggest it would be better to call it eleven o'clock, as we already have had a heavy day.

Mr. BENNETT: In order that there may be no misunderstanding, in view of the fact that at least one of these resolutions stood because I was not here yesterday, we will consider we have not called the order for notices of motion.

Mr. MACKENZIE KING: No, it did not stand because of that.

Mr. BENNETT: No?

Mr. MACKENZIE KING: No, it stood for the reasons I mentioned. I was afraid a discussion on titles might occupy considerable time of the house, and I thought it more important that time should be devoted to a discussion of social and industrial problems.

Mr. BENNETT: I agree.

Motion stands.

On motion of Mr. Bennett the house adjourned at 10.35 p.m.

Wednesday, January 30, 1935

The house met at three o'clock.

PRIVILEGE—MR. MACKENZIE KING

On the order for motions:

Right Hon. W. L. MACKENZIE KING (Leader of the Opposition): Mr. Speaker, on a matter concerning the privileges of this house I should like to direct your honour's attention and the attention of the right hon. Prime Minister (Mr. Bennett) to the fact that up to the present time hon. members of this house have not received copies of the unemployment insurance bill. Yesterday we were told by the Prime Minister that we might receive these copies in the course of a day or two, but I observe that the newspapers or some of them have been supplied with copies or, if not with actual copies then with a summary infinitely more detailed and comprehensive than anything that has been given hon. members of this house. That I think is a distinct violation of the privileges of this house. Surely hon. members are entitled to receive the first information as to the contents of any bill; certainly they should receive such information before it is given to the press. We do not know yet when we are to receive the copies of the bill, but in the meantime there has been broadcast from one end of Canada to the other what purports to be its provisions, and they are given in a form which would indicate that the main provisions of the bill have been made accessible to the press in a manner in which they have not been made accessible to hon members of the house. I should be glad to hear what the Prime Minister has to say with regard to the matter.

Right Hon. R. B. BENNETT (Prime Minister): The right hon. gentleman makes two points. One is an endeavour to have it appear that there has been a delay in connection with the printing of the bill. The rules of this house require that on the first reading of a bill it shall be handed to the clerk either in printed form, in typewritten form or in written form, as the case may be, and that it shall be printed in English and in French before the second reading is moved. I explained last evening that the bill had been printed but that the preamble to the bill had been typewritten and attached to it, there being no preamble to the bill during the period of discussion of the details of the measure, and that doubtless the bill would be completed and distributed at an early day. I do not know just how long it may take to make the changes necessary for the purpose of having that done, but when the printing is completed the second reading will be moved.

As to the second point, I have no knowledge at the moment from what source the information contained in the press was obtained. It was not obtained from me. When I saw it in the press this morning I assumed it was obtained from inspection of the bill that was tabled last night in duplicate. Whether or not that was the case I do not know. I will inquire and acquaint the house with the facts. It may be that a précis was prepared and handed out, but I have no knowledge of that being so. I can only say that I concluded that what I saw in the press had been obtained by the journalists from the copies which were handed in yesterday in duplicate, on the first reading, but I will make the necessary inquiries and advise the house.

Mr. MACKENZIE KING: May I ask the Prime Minister if he regards the privileges of the house as having been adequately protected when members of the press obtain the details of a government measure before they are made accessible to hon. members themselves?

Mr. BENNETT: Since I have been a member of this house I have had frequent occasion, when the right hon. gentleman was Prime Minister, to complain of what I conceived to be breaches of the privileges of this house, but in these days one cannot be certain that the privileges of the house may not be invaded very frequently. Certainly I will do my utmost to protect the privileges of this

house, and I trust that the right hon. gentleman will be as solicitous in the maintenance of those privileges as I shall endeavour to be.

Mr. MACKENZIE KING: May I ask the Prime Minister when his bill will be distributed and made available to hon. members?

Mr. BENNETT: I have already said that I do not know.

TRANSLATION OF ESTIMATES

On the order for motions:

Hon. E. N. RHODES (Minister of Finance): Mr. Speaker, the hon. member for Témiscouata (Mr. Pouliot) raised the question of the estimates not being printed in French. No exception is taken to his having done so, but I thought the brief discussion which followed rather left the impression that the procedure followed this year in bringing down the estimates may have been different from that which has obtained in previous years. As a matter of fact I have made careful inquiry, and I find that the invariable practice in this house has been for the estimates to be submitted printed in English only. It then becomes the duty and responsibility of the House of Commons translation staff to provide for the translation. That is why it was that when the question was raised yesterday I was not in a position to inform hon. members as to whether the estimates were actually at that time printed in French. I have examined the records, and the following figures which I shall place on Hansard will serve to indicate the respective times at which English and French copies of the estimates have been made available:

Year—	English	French
1925-1926	Feb. 16, 1925	Mar. 3, 1925
1926-1927	Mar. 15, 1926	Apr. 9, 1926
1927-1928	Feb. 15, 1927	Feb. 21, 1927
1928-1929	Jan. 27, 1928	Feb. 8, 1928
1929-1930	Feb. 18, 1929	Feb. 26, 1929
1930-1931	Feb. 27, 1930	Mar. 11, 1930
1931-1932	Apr. 13, 1931	Apr. 20, 1931
1932-1933	Feb. 15, 1932	Feb. 22, 1932
1933-1934	Feb. 1, 1933	Feb. 7, 1933
1934-1935	Jan. 26, 1934	Feb. 14, 1934

At this session the English edition was brought down on January 23, and the French edition was available on January 30. As a matter of fact, it is ready for distribution and was distributed early this morning. I make this statement merely to make it clear that no matter what may be said with respect to the propriety of the practice which has been followed, it is a practice which has been in strict conformity with the one which obtained in this house, so far as the records show, in all times past.

Mr. POULIOT: Mr. Speaker, I am speaking to a question of privilege. I do not wish the hon. member to misconstrue my statement of yesterday. I did not complain of the fact that—

Some hon. MEMBERS: Order.

Mr. SPEAKER: That is not a question of privilege. If the hon. member would like to ask the minister a question he may do so under a later order on the order paper.

Mr. RHODES: Perhaps the hon. member did not follow my opening remarks.

Mr. POULIOT: Yes.

[Mr. Bennett.]

Mr. RHODES: I said I had no fault to find with the question raised by the hon. member, but that the incident yesterday had served to call into question whether the practice which had been followed this year had been different from that of previous years. It is only to correct the possibility of a wrong impression that I have given these figures.

FARMERS' CREDITORS ACT

PROVISION FOR AMENDMENTS TO FARMERS' CREDITORS ARRANGEMENT ACT, 1934

Hon. E. N. RHODES (Minister of Finance) moved for leave to introduce Bill No. 10, to amend the Farmers' Creditors Arrangement Act, 1934.

He said: Mr. Speaker, the bill provides for four amendments to the Farmers' Creditors Arrangement Act, 1934. All of them are designed with a view to improving the operation and efficiency of the act and to enable it to accomplish more fully the purposes which were in mind when the original act was passed.

The first amendment enlarges the period of a stay of proceedings from sixty to ninety days. It has been found in practice that in

certain cases official receivers have had before them for consideration as many as 250 applications, and in the nature of things they have not been able to consider them within the sixty day period.

The second amendment is quite important but, as I believe will be found with respect to the others, it is not contentious. As the act stands at present there must be a decision by the full board of review, and there is no provision made for the functioning of the board in the event of one of its members becoming incapacitated either because of illness or for any other reason. This amendment provides that in such circumstances two members of the board may appoint an ad hoc member.

A third amendment is merely to clarify what was originally the intention of the act, namely that the decision of the board of review shall be filed with the clerk of the county court or of the district court, as the case may be. There is an ambiguity in the wording of the act as it stands at present which might make possible the argument that it would be competent for a county court judge to sit in judgment by way of appeal upon a decision of the board of review. This amendment makes it clear that it is intended merely that the decision of the board of review shall be filed for purposes of record with the county court.

The fourth amendment is designed more particularly for the province of Ontario, although by its terms it is applicable to the whole of Canada. It enables the chairman of the board in certain cases to delegate a member of the board to make inquiries in far flung areas and to gather together certain data and statistics for the benefit of the board, placing upon him the duty to report back to the board.

Motion agreed to and bill read the first time.

QUESTIONS

(Questions answered orally are indicated by an asterisk).

BUTTER AND CHEESE IMPORTS

Mr. REID:

1. What quantities of butter and cheese were imported into Canada during 1931, 1932, 1933, 1934, calendar years?
2. What quantities of eggs, butter, and cheese, were exported from Canada during 1931, 1932, 1933, 1934, calendar years?
3. To what countries did these various exports go during said years?

Mr. HANSON (York-Sunbury):

1. Quantities of butter and cheese imported into Canada, calendar years 1931, 1932, 1933 and 1934, were:

Calendar years	Butter Pounds	Cheese Pounds
1931	2,821,317	1,446,147
1932	238,145	1,166,506
1933	1,377,137	967,613
1934	2,861,295	874,393

2. Quantities of eggs, butter and cheese exported from Canada, calendar years 1931, 1932, 1933 and 1934, were:

Calendar years	Eggs Dozen	Butter Cwt	Cheese Cwt.
1931	634,140	106,805	847,884
1932	272,818	35,057	869,399
1933	1,987,612	44,372	741,686
1934	2,001,024	4,283	611,678

3. Quantities of domestic eggs, butter and cheese, exported from Canada to various countries, calendar years 1931, 1932, 1933 and 1934, were:

Classification	1931	1932	1933	1934
Eggs—	Doz.	Doz.	Doz.	Doz.
To United Kingdom	431,070	24,720	1,750,075	1,833,410
United States	1,494	7,031	3,717	410
Alaska	150	510	90	4,680
Bermuda	17,847	57,824	97,460	45,780
British West Indies—				
Jamaica	896	816	1,080	9,330
Trinidad and Tobago	210	7,560	7,890	10,620
Other British West Indies	....	1,350	1,410	....
Germany	....	....	750	....
Netherlands	....	....	6,300	....
Hong Kong	1,410	....	....	....
Newfoundland	158,862	154,868	104,330	87,670
New Zealand	7,500	....	....	....
St. Pierre and Miquelon	14,701	18,139	14,510	9,124

Classification	1931	1932	1933	1934
Butter—	Cwt.	Cwt.	Cwt.	Cwt.
To United Kingdom	86,569	21,380	37,185	4
United States	6,278	805	23	66
Alaska	1	1	1	22
American Virgin Islands	20	64	29	6
Belgian Congo	....	....	....	1
Bermuda	2,390	1,447	1,107	21
British Guiana	333	178	308	17
British Honduras	257	348	200	208
British Straits Settlements	....	....	13	....
British West Indies—				
Barbados	234	115	69	11
Jamaica	1,597	486	132	22
Trinidad and Tobago	1,050	882	112	260
Other British West Indies	1,578	1,898	950	497
China	3	12	1	1
Colombia	....	43	1	....
Costa Rica	65	20	2	....
Cuba	3	....	....	....
Hayti	11	414	30	....
Hong Kong	234	400	672	476
Japan	402	282	4	....
Newfoundland	3,877	4,595	2,627	1,783
Panama	605	12	....	....
Peru	....	94	23	6
Philippines	140	30	1	....
Puerto Rico	....	23	....	....
San Domingo	55	113	13	11
St. Pierre and Miquelon	1,103	1,415	869	871
Cheese—				
To United Kingdom	805,655	838,139	707,076	580,766
United States	15,802	6,101	10,584	7,992
Alaska	....	2	....	4
Argentina	87	6	6	....
Belgium	2,584	3,677	5,342	2,627
Bermuda	1,965	2,072	1,524	1,815
British Guiana	523	404	810	862
British Honduras	228	615	631	737
British South Africa	....	....	139	....
British Straits Settlements	....	4	....	....
British West Indies—				
Barbados	646	689	789	922
Jamaica	3,872	3,626	3,843	4,715
Trinidad and Tobago	2,785	2,523	3,075	3,837
Other British West Indies	941	1,036	1,037	1,207
China	135	135	154	343
Costa Rica	5	....	4	....
Cuba	21	15	10	15
Dutch West Indies	16	....	1	....
Egypt	197	25	22	27
France	532	464	648	321
French Africa	....	9	....	....
French West Indies	1	....	....	3
Germany	262	39	36	38
Gibraltar	1	....	....	....
Hong Kong	274	118	42	24
Italy	36	....	....	17
Irish Free State	6,534	5,083	1,340	....
Japan	588	641	465	681
Malta	1	2	224	134
Nicaragua	....	....	2	....

Classification	1931 Cwt.	1932 Cwt.	1933 Cwt.	1934 Cwt.
Newfoundland	4,009	3,817	3,585	4,232
Norway	5	....	....	....
Palestine	....	4	....	....
Panama	....	....	183	227
Roumania	92	27	15	9
Spain	14	13	6	8
St. Pierre and Miquelon	73	113	93	115

ST. JUSTE DU LAC, QUE., WHARF

Mr POULIOT:

1. Was some sawn lumber hauled from a mill to the wharf at St. Juste du Lac at public expense?

2. If so, what quantity, by whom, and what amount was paid by the government for that purpose?

Mr. STEWART (Leeds):

1. Yes.

2. (a) 5,412 feet BM.

(b) and (c)

Sylvio Dufour	$ 3 60
Philippe Michaud	3 60
Hermenegilde Dubé	3 00
Joseph Dubé—fils	10 80
J. B. Courberon	8 18
	$29 18

Mr. BENNETT: Perhaps the hon. member would indicate what years are to be covered. He does not indicate the year.

MARKETING ACT

Mr. MACKENZIE (Vancouver):

1. How many provincial boards are now functioning in the province of British Columbia under the Natural Products Marketing Act?

2. How many local boards are functioning in the same province for the same purpose?

3. What are the names of members of such boards respectively?

4. Has a dominion board been formed to collaborate with such provincial or local boards?

5. If so, what is the personnel of such dominion board?

Mr. WEIR (Melfort):

1. None.

2. Four—each for a different purpose.

3 British Columbia Tree Fruit Board:
Walter E. Haskins.
Orris W. Hembling.
George A. Barrat.

Fruit Export Board of Canada:
Orris W. Hembling.
Manning Ells.
Vernon B. Leonard.
Percy W. Hodgetts.
Leslie F Burrows.

British Columbia Salt Fish Board:
Hugh Dalton.
K. Kimura.
T. Matsuyama.
S. K. Murray.
R. Nelson.

British Columbia Lower Mainland Dairy Products Board:
Hugh Davidson.
Wm. Thomas McArthur.
Wm. J. Park.

4 and 5. No. A local board has been created under a scheme submitted to the Dominion Marketing Board under "The Natural Products Marketing Act, 1934," viz: British Columbia Lower Mainland Dairy Products Board.

BUTTER AND CHEESE PRODUCTION

Mr. DUBOIS:

1. What was the total production of butter and cheese in each of the provinces of Canada during the year 1933?

2. What was the total production of butter and cheese in each of the provinces of Canada during the year 1934?

Mr. HANSON (York-Sunbury):

1. Total production of butter and cheese in Canada (factory and home-made) by provinces for 1933:

	Total butter (pounds)	Total cheese (pounds)
P.E.I.	4,034,988	563,676
Nova Scotia	12,089,615	40,000
New Brunswick	10,335,673	319,994
Quebec	77,791,688	25,771,945
Ontario	108,286,463	81,392,644
Manitoba	28,782,688	777,864
Saskatchewan	40,818,542	898,071
Alberta	36,352,350	1,687,387
British Columbia	7,225,539	638,212
Total	325,717,546	112,089,793

2. Preliminary estimate of creamery butter production by provinces for 1934:

	Creamery butter (pounds)
Prince Edward Island	1,814,091
Nova Scotia	5,513,404

New Brunswick	3,167,952
Quebec	68,775,000
Ontario	79,107,303
Manitoba	20,674,148
Saskatchewan	20,878,352
Alberta	25,594,000
British Columbia	5,924,452
Total	231,448,702

Data on cheese production and total butter production for 1934 are not yet available. Butter made on Canadian farms in 1934 will amount to at least 100,000,000 pounds.

LEAGUE OF NATIONS—ADMISSION OF RUSSIA*

Mr. POULIOT:

1. Did the Canadian delegation sign, on or about September 15, 1934, an invitation to the U.S.S.R. to join "and bring its valuable collaboration to" the council of the league of nations?

2. If so, who signed this invitation on behalf of the Canadian delegation?

3. Did the assembly, on or about September 17, 1934, refer to the sixth committee the question of admitting the U.S.S.R.?

4. If so, did a Canadian delegate declare before that committee that he would not object, in the public interest, to the admission of the U.S.S.R.?

5. If so, why?

6. Did the Canadian delegation officially meet, in Geneva in September, 1934, Mr. Maxim Litvinoff, People's Commissary for Foreign Affairs of the U.S.S.R.?

7. If so, did the Canadian delegation make any agreements with the Russian delegation, and, if it did, what are these agreements, particularly with regard to exportation of wheat and lumber to Great Britain?

In view of what was said yesterday by the Prime Minister I shall amend the question by striking out paragraphs 3, 4 and 5. The information asked for in the two first and the two last paragraphs is not mentioned in either the report of the Canadian delegates to the Assembly of the League of Nations or the monthly summary of the League of Nations for September, 1934. This is most important, and I should be very thankful if the government would answer it.

Mr. BENNETT The answer to questions 6 and 7 is no, in both cases. The answers to the other questions are indicated in the report of the League of Nations, as I have indicated, at pages 6 and 21. It was tabled the other day.

[Mr. Hanson.]

PRODUCTION OF CANNED TOMATOES

Mr. WEESE:

1. What was the total number of cases of canned tomatoes on hand in Canada as of December 31, 1934?

2. How many cases of tomatoes were packed in each province during the year 1934?

3. How many home canning plants are there in each province?

4. How many cases of tomatoes were packed by home canning plants in each province during the year 1934?

5. How many canning factories are there in each of the provinces of Canada?

6. How many canning factories in each province operated and packed tomatoes during the year 1934?

Mr. HANSON (York-Sunbury):

1. 2,023,252 cases.*

2. Ontario 1,075,935 cases*
Quebec 553,636 cases*
British Columbia 365,398 cases*

3. Quebec, 1,400 reported to provincial government; Ontario, 217 reported to Dominion Bureau of Statistics.

4. Ontario, 83,075 cases. For Quebec, information collected by provincial government not available for 1934.

5. In operation 1933—

Prince Edward Island	2
Nova Scotia	9
New Brunswick	5
Quebec	40
Ontario	78
Manitoba	—
Saskatchewan	—
Alberta	1
British Columbia	22
Canada	157

6. Quebec 28*
Ontario 62*
British Columbia 11*

* Preliminary figures only. Subject to revision.

CANADA–UNITED STATES TRADE

Mr. MICHAUD:

What was the value of Canada's exports to and imports from the United States during the years 1928, 1929, 1930, 1931, 1932, 1933, and 1934?

Mr. HANSON (York-Sunbury):

The value of Canada's imports from and exports to the United States, calendar years 1928 to 1934, was:

Calendar years	Imports from	Exports to: Canadian produce	Exports to: Foreign produce
1928	$825,651,549	$491,966,297	$21,158,661
1929	893,585,482	522,677,767	22,652,175
1930	653,676,496	395,728,375	16,487,858
1931	393,775,289	256,942,045	9,603,772
1932	263,549,346	162,630,779	6,316,726
1933	217,291,498	170,541,810	4,712,124
1934	293,780,327	222,544,093	5,449,986

CANADA–GREAT BRITAIN TRADE

Mr. MICHAUD:

1. What was the value of Canada's exports to and imports from Great Britain during each of the years 1928, 1929, 1930, 1931, 1932, 1933, and 1934?

2. What was the value of Canada's exports to and imports from Australia during the years 1928, 1929, 1930, 1931, 1932, 1933, and 1934?

3. What was the value of Canada's exports to and imports from New Zealand during the years 1928, 1929, 1930, 1931, 1932, 1933, and 1934?

Mr. HANSON (York-Sunbury):

1. The value of Canada's imports from and exports to the United Kingdom, calendar years 1928 to 1934, was:

Calendar years	Imports from	Exports to: Canadian produce	Exports to: Foreign produce
1928	$190,756,730	$446,149,163	$1,738,872
1929	194,777,650	290,296,803	1,534,668
1930	162,632,466	235,213,959	1,313,058
1931	109,468,081	171,534,822	1,062,720
1932	93,508,143	178,171,680	922,947
1933	97,878,232	210,697,904	616,706
1934	113,418,369	270,333,857	877,798

2. The value of Canada's imports from and exports to Australia, calendar years 1928 to 1934, was:

Calendar years	Imports from	Exports to: Canadian produce	Exports to: Foreign produce
1928	$3,922,265	$16,273,158	$11,436
1929	3,519,123	19,124,626	10,591
1930	4,740,934	9,173,808	7,875
1931	6,259,919	4,765,381	2,530
1932	5,845,187	7,133,007	2,351
1933	5,079,778	10,208,286	10,834
1934	6,374,087	16,870,370	15,751

3. The value of Canada's imports from and exports to New Zealand, calendar years 1928 to 1934, was:

Calendar years	Imports from	Exports to: Canadian produce	Exports to: Foreign produce
1928	$ 9,461,639	$15,001,223	$10,327
1929	14,987,302	20,405,831	18,879
1930	14,675,920	15,008,985	21,086
1931	1,508,822	4,573,319	8,357
1932	855,723	3,405,667	3,071
1933	2,013,392	3,832,688	4,883
1934	2,892,868	6,820,707	4,292

FARMERS' CREDITORS ARRANGEMENT ACT

Mr. REID:

1. How many officials have been appointed in British Columbia under the Farmers' Creditors Arrangement Act?

2. What is the remuneration granted or allowed each of these officials?

Mr. RHODES:

1 and 2. Thirteen official receivers at $150 a month; a board of review consisting of a chief commissioner without remuneration, two members at $25 a day while engaged on their duties, and one registrar at $100 a month.

FARM LOAN BOARD—ALBERTA

Mr. GERSHAW:

1. How many applications for loans under the Farm Loan Board were received from the farmers of Alberta in the years 1931, 1932, 1933, and 1934?

2. How many were granted during each of the said years?

3. What areas of the province are excluded from the operation of the Farm Loan Board?

4. If operations are not extended to certain districts, on what information or advice are such districts excluded?

Mr. RHODES:

1 and 2:

Fiscal year	Number of applications received	Number of loans granted
Ended March 31, 1931	883	598
Ended March 31, 1932	933	234
Ended March 31, 1933	206	80
Ended March 31, 1934	78	47

3. None. The policy of the board is to deal with applications on the basis of the productive value of the security offered and the qualifications of the applicant.

4. See answer to Question 3.

"CANADIAN CAVALCADE" ADVERTISEMENT

Mr. NEILL:

1. In how many newspapers in British Columbia did the advertisement headed "Canadian Cavalcade" appear in 1935?

2. What are the names of such newspapers, where are they printed and what is their circulation?

3. In how many issues of each paper did the said advertisement appear?

4. What was the cost in each case?

Mr. HANSON (York-Sunbury):

1. Thirteen.

2 and 4. See statement attached.

3. One.

Place	Paper	Total Circulation	Cost
British Columbia—			
Nanaimo	Herald	2,400	$41 16
Nanaimo	Free Press	2,538	40 18
Nelson	News	4,277	58 80
New Westminster	Columbian	4,260	78 40
Prince Rupert	Empire	1,126	40 50
Prince Rupert	News	1,437	57 96
Trail	Times	1,500	50 23
Vancouver	Province	77,997	329 28
Vancouver	Sun	65,358	323 40
Vancouver	News-Herald	16,513	127 40
Victoria	Colonist	10,162	140 14
Victoria	Times	10,137	117 60
Vancouver	B.C. Financial Times	2,250	40 00

JOHN A. MORRISON

Mr. MacLEAN:

1. Was John A. Morrison, of Launching, King's county, Prince Edward Island, root and vegetable inspector, dismissed in 1931 from the Department of Agriculture?

[Mr. Hanson.]

2. If so, on whose recommendation was Mr. Morrison dismissed?

3. On what ground was his dismissal recommended and secured?

4. What complaints, if any, were received against Mr. Morrison during his term of office, and from whom?

Mr. WEIR (Melfort):

1. Yes.

2. The fruit commissioner.

3. Unsatisfactory service.

4. The supervising inspector reported that various shippers had complained of considerable confusion and inconvenience through Mr. Morrison's incompetence, which was confirmed on investigation.

BORDEN, P.E.I.—HIGHWAY

Mr. MacLEAN:

1. Under what department of the federal government was the concrete highway built at Borden, Prince Edward Island, from the ferry terminals up to the main highway, a distance of about one mile?

2. What was the entire cost of this concrete highway?

3. Did the federal government or the railway department bear the full cost of same?

4. If they did not bear the full cost, what proportion of the cost was paid by the provincial government of Prince Edward Island, and what proportion by the federal government or its railway or other departments?.

5. What was the total cost of the asphalt surface placed on the main highway from Carleton corner running north, and (a) what is the mileage; (b) the cost per mile?

6. What proportion of the cost was paid by the federal government, and what proportion by the local government?

7. With respect to the asphalt road built from Charlottetown, how many miles have been finished, at what cost per mile, and what is the distribution of cost as between the federal and provincial governments?

Mr. GORDON:

1, 2, 3, 4, 5, 6 and 7. An agreement respecting relief measures entered into, under The Relief Act, 1934, between the Honourable the Minister of Labour, on behalf of the dominion, and the Honourable the Premier of Prince Edward Island, on behalf of the province, provides inter alia:—

"The dominion will contribute to the province towards cost of construction of trans-Canada highway between the port of Borden and the capital city of Charlottetown, 50 per cent of the cost of such construction exclusive of the cost of administration, it being understood that the total cost to which the dominion will contribute shall not exceed $11,000 per mile and it being further understood that not more than eight miles of such highway shall be undertaken during the currency of this agreement."

"The dominion will contribute to the province, an amount not in excess of $50,000 towards the cost of construction of a highway joining the main highway with the ferry terminal at the town of Borden, extending from Seven Mile Bay road (main highway) to and through the town of Borden to the northern limits of the Canadian National Railway property."

No accounts have at this date been received from the province with respect to the above undertakings.

AFGHANISTAN—LEAGUE OF NATIONS

Mr. POULIOT:

As Afghanistan is now a member of the League of Nations, has Canada in its capacity as a member of the league assumed by that fact certain obligations relative to the defence and the integrity of the territory of Afghanistan, and are those obligations reciprocal?

Mr. BENNETT: The report of the delegates to the League of Nations fifteenth assembly indicates that Afghanistan joined the League of Nations during the sessions; and as to the obligations of Canada in that regard, they are the same as other countries have in connection with membership in the league, subject to the practice that has grown up under the proceedings of the assembly and the council.

NEW BRUNSWICK—NATIONAL PARK

Mr. MICHAUD:

1. Will the government build a national park in the province of New Brunswick during the year 1935?

2. If so, where will such park be located?

3. What amount will the government expend on such project?

Mr. BENNETT: That question is an improper one, I submit Mr. Speaker. The government's policy cannot be ascertained with respect to matters of that kind nor can it be anticipated by inquiries of the character contained in this question.

Mr. SPEAKER: Dropped.

QUESTIONS PASSED AS ORDERS FOR RETURNS

BRITISH COLUMBIA ENUMERATION

Mr. REID:

How many names were registered in the various constituencies of British Columbia at the last enumeration?

Mr. CAHAN: Return tabled herewith.

ARICHAT N.S., PUBLIC BUILDING

Mr. DUFF:

1. Were tenders called in October, 1934, for painting and repairs to the public building at Arichat, Nova Scotia?
2. If so, what were the names of the tenderers and the amounts of the tenders?
3. Which, if any, tender was accepted?
4. Whether tenders were called to install plumbing and water supply in the public building at Arichat in November, 1934?
5. If so, the names of the tenderers and the amounts of the tenders?
6. Which, if any, tender was accepted?

DOMINION PAYMENTS TO PROVINCES

Mr. LAURIN:

What amount did the dominion treasury contribute in 1930, 1931, 1932, 1933, and 1934, to each of the provinces for the following purposes: (a) provincial subsidies; (b) technical education; (c) employment bureau; (d) unemployment relief; (e) return to the land; (f) old age pensions?

NORTH BATTLEFORD, SASK.—POST OFFICE BUILDING

Mr. McINTOSH:

1. What was the amount expended in repairs to the post office building at North Battleford, Saskatchewan, during the years 1931, 1932, 1933, and 1934?
2. Were sealed tenders called for the work?
3. If so, who were the tenderers and what was the exact amount of each tender?
4. If tenders were called for more than one class of work, who were the tenderers, and what was the exact amount of each tender?
5. If work was not done under tender and contract, who was the foreman in charge of the work?

NORTH BATTLEFORD, SASK.—ARMOURIES

Mr. McINTOSH:

1. What was the amount expended by the government for repairs to the armouries at North Battleford, Saskatchewan, during the years 1931, 1932, 1933, and 1934?
2. Were sealed tenders called for the work?
3. If so, who were the tenderers and what was the exact amount of each tender?
4. If tenders were called for more than one class of work, who were the tenderers, and what was the exact amount of each tender?
5. If work was not done under tender and contract, who was the foreman in charge of the work?

NORTH BATTLEFORD, SASK.—R.C.M.P. BUILDING

Mr. McINTOSH:

1. What was the amount expended by the government for repairs to the Royal Canadian Mounted Police building at North Battleford, Saskatchewan, during the years 1931, 1932, 1933, and 1934?
2. Were sealed tenders called for the work?
3. If so, who were the tenderers and what was the exact amount of each tender?

[Mr. Cahan.]

4. If tenders were called for more than one class of work, who were the tenderers, and what was the exact amount of each tender?
5. If the work was not done under tender and contract, who was the foreman in charge of the work?

UNEMPLOYMENT RELIEF IN CANADA

Mr. MACKENZIE (Vancouver):

1. What is the total number on relief in Canada at the present time?
2. What is the number in each province?
3. What is the total number in national defence camps for single homeless men?
4. What is the number in each province?
5. What is the total number of heads of families on relief in Canada?

IMPORTS FROM RUSSIA

Mr. POULIOT:

1. Is there a limit regarding the importation without licence of Russian goods into Canada?
2. If so, when, by whom, how and at whose request was that time fixed?

MOTIONS FOR PAPERS

BANK OF CANADA—APPOINTMENTS

Hon. IAN MACKENZIE (Vancouver Centre): moved:

For a copy of all applications for appointments in the Bank of Canada, and a return showing all appointments made, with names of appointees, salaries paid and previous occupations in each case.

Hon. E. N. RHODES (Minister of Finance): Mr. Speaker, the motion as it stands in its present form is not acceptable. It would call for a return very voluminous in character, although, of course, to that itself there is no objection; but I can see no good reason in the public interest why a person who has applied for a position in a given service should have his name published abroad if he is not appointed. It seems to me that the responsibility of the government has to do with those appointments with respect to which it has taken action, and in those instances of course the fullest information should be disclosed. I am speaking now with respect to those appointments which are within the purview of its authority.

So far as the appointments to the staff of the bank itself are concerned they are not government appointments in any sense. They are made by the management of the bank and I have no hesitation in saying with respect to many hundreds of applications that came to me they are not a matter of record with me at all. All I did with respect to those was to pass them on to the management of the

bank for such action as they in their judgment thought wise to take, and so they are not a matter of record at all.

It seems to me that the motion might properly be amended to ask only for that information which is within the possession of the government and with respect to those appointments for which the government is responsible. If the motion was amended to read something like this—for a return showing all appointments made by the government to the Bank of Canada, with the names of such appointees, the salaries paid, and the previous occupation in each case—there would be no objection.

Mr. MACKENZIE (Vancouver): Mr. Speaker, I appreciate very much the remarks of the Minister of Finance, but I regret very much I cannot accept his suggestion to amend my motion, for this reason. Last year when the Bank of Canada bill was before this house and also in the banking and commerce committee there was emphasized at every stage by those of us on this side of the house the necessity in the one case of ownership, and secondly the necessity of control by this parliament over the bank. My question raises distinctly and directly the question of control by this parliament, and I submit that this house is entitled not only to know the appointments made directly by the minister or by the government but also to receive the fullest information in regard to all appointments made by the directors of the bank or by the officials of the bank before the directors were appointed the other day. I think there is at least some element of control which should be maintained by hon. members on the floor of this house, and while I appreciate the courtesy of the minister in notifying me of his objection I must insist on my objection to any amendment such as the minister suggests.

Right Hon. R. B. BENNETT (Prime Minister): Mr. Speaker, the motion is not a debatable one and I do not think that the hon. member upon consideration will think that any government could accept it. It would require a very large staff working I should think continuously for months to satisfy the request now made. For some strange reason, as soon as the Bank of Canada was incorporated, various people throughout Canada wrote letters seeking employment in the bank. I received hundreds of such letters. It would be a very difficult task to get them all together. The Minister of Finance I happen to know received not only hundreds, but thousands of such letters. I think the total number he received was two thousand or thereabouts. I have spoken to my colleagues and I find that they are in exactly the same position as myself, of having received hundreds of such applications. I am also informed that members received them and sent them in to the various ministers. In every instance no action was taken except to indicate that action would have to be taken, when the bank began to function, by those responsible for its operations.

With respect to the others, what the minister has said is all that could reasonably be expected, that is, as to actual appointments made, and the salaries paid. The government will have to oppose the motion as it now stands. It is not in the public interest and would serve no useful purpose to keep a number of people engaged for months copying letters sent in from various parts of the country to various ministers for the purpose of seeking a position in the bank.

Motion negatived, on division.

Mr. MACKENZIE (Vancouver): May I ask the Minister of Finance now, arising out of the decision of the house, if he will submit the information that he was kind enough to mention could be supplied?

Mr. RHODES: Mr. Speaker, I shall be very happy indeed to comply with the request of my hon. friend.

UNEMPLOYMENT RELIEF—MONTREAL

Mr. LAURIN:

For a copy of all telegrams, correspondence, letters and other documents, passing between the federal government and the Quebec government and the municipal administration of the city of Montreal, since March 31, 1934, respecting unemployment relief grants in the city of Montreal.

Mr. RINFRET: I would ask the hon. gentleman who is moving this motion if he would object to amending it to read "since March 31, 1932," instead of 1934? Otherwise I shall have to move for another address myself. I think the easier way would be to amend this one, changing the date to 1932 instead of 1934, if my hon. friend has no objection.

Mr. LAURIN: I have no objection, Mr. Speaker, to amending the motion accordingly.

Motion as amended agreed to.

MISCOU ISLAND—NEW BRUNSWICK FERRY SERVICE

Mr. VENIOT:

For a copy of all correspondence exchanged between the Minister of Trade and Commerce or any other member of the government,

relating to a subsidy for the ferry service between Miscou Island, Lameque and Shippegan, Gloucester county, New Brunswick, since 1933.

VAUTRIN LAND SETTLEMENT PLAN

Mr. LAURIN:

For a copy of all telegrams, correspondence, letters and other documents, passing between the federal government and the Quebec government, since March 31, 1934, respecting the return to the land and the land settlement plan, called the Vautrin plan.

MARKETING ACT

Mr. LAURIN:

For a copy of all telegrams, correspondence, letters and other documents, passing between the federal government and the Quebec government, and any other person in the city of Quebec, since March 31, 1934, respecting the application of the Natural Products Marketing Act.

CANADIAN FARM LOAN ACT

Mr. LAURIN:

For a copy of all telegrams, correspondence, letters and other documents, passing between the federal government and the Quebec government, since March 31, 1934, respecting the Farm Loan Act.

MAGDALEN ISLANDS POSTAL SERVICE

Mr. BRASSET:

For a copy of all letters, telegrams, correspondence and other documents, passing between the Post Office Department and any person or persons, respecting the air service of the Magdalen islands during the years 1932, 1933, 1934, and 1935.

SASKATCHEWAN ELECTORAL LISTS

Mr. McINTOSH:

For a return showing the number of names contained in the electoral lists of each of the twenty-one constituencies in the province of Saskatchewan as a consequence of the general registration recently held under the provisions of the Dominion Franchise Act, assented to July 3, 1934, and the required proclamation thereunder issued by the Dominion Franchise Commissioner, September 19, 1934.

SOCIAL AND ECONOMIC RESEARCH

SCIENTIFIC PLANNING IN THE NATIONAL ECONOMIC LIFE

Mr. ALFRED SPEAKMAN (Red Deer) moved:

Whereas, in adopting the resolution moved in this house, which stated as its objective the creation of a national council of social and economic research, this parliament has accepted the principle of the organized application of scientific methods in the consideration of economic problems,

And whereas, the conditions which prevail in this dominion and throughout the world, with the growing burden of debt, the general stagnation of business and the anomaly of wide spread poverty and privation in the midst of an abundance hitherto unknown, would point to the inevitable conclusion that the consideration which has been given to the adoption of those scientific principles should now be implemented by definite action.

Therefore be it resolved, that, in the opinion of this house, the time has arrived, and is long overdue, when a degree of well considered and scientific planning, on a national scale, should be substituted for the present practice of uncontrolled competition and unguided individual effort, in the conduct of the economic life of Canada.

He said: In moving this resolution at this time it is not my purpose to debate the question at any length. In the first place the resolution is largely self-explanatory and, I think, within itself, contains both the purpose and the reason of that purpose; and in the second place the purpose for which this resolution was placed on the order paper has already in part been served and is in the process of accomplishment.

It will be remembered by hon. members that on May 4, in the session of 1931, I moved a resolution asking for the creation of a national council which I suggested might be called the National Council of Social and Economic Research, and indicated as the objective of that motion and the purpose of that council the assistance which might be given such a body in planning the economic life of this nation, so that instead of the chaotic conditions which we then found and still find we might substitute a degree of order and correlation.

At that time the government did not accept the motion and it was rejected. I moved the same motion in identical terms in the session of 1932, and at that time it met with a more sympathetic reception and was accepted by the government, conditionally, and by the house, the condition being that this should not be immediately set up but that sympathetic consideration should be given to the idea and to the purpose, with the possibility and prospect of future action. I waited then for two years, and last session there stood upon the order paper in my name a resolu-

tion couched in the same terms as that which I am moving to-day. Owing to sickness I was absent from the house at the time the matter came up so that the resolution was not proceeded with and it was dropped. I again placed it on the order paper for this session, and I may say at once that it was put on the order paper prior to the public announcements made by the Prime Minister (Mr. Bennett) and prior to the statement made over the radio and embodied in the speech from the throne that such a council was in the government program for this session and would be created.

I feel however, and it has been suggested to me, that it might be well to place this resolution squarely before the house with the issue involved, not the issue of the creation of an economic council, but the issue as between well considered national planning on the one hand and uncontrolled private initiative and competition on the other.

I believe this is a question which is agitating the minds of the public at the present time and I think it is a matter in which this parliament should give the lead. I feel therefore that I should be derelict in my duty if I allowed this matter to drop without giving parliament an opportunity of making a pronouncement upon what I conceive to be a most important principle and one having a direct bearing not only upon the situation in the country but upon the program which has been presented for our consideration during this session.

In discussing such a matter I think we must accept certain principles as being involved and inevitably involved in this resolution, and the first is this: the right of the state—and when I use the term "state" I am using it in its widest sense—to indicate the rights of the men, women and children within the confines of Canada who constitute the state, its right to lay down the general rules, to enforce the general principles and regulations under which private business, private industry and individuals shall operate; that the activities of individuals, private business and groups of citizens must in the final analysis be subordinated to the best good and to the real interest of the state itself; and that not only has the state that right but that right carries with it the definite power and responsibility of controlling to the degree necessary the activities of its individual citizens, of encouraging those activities which are beneficial in their application to the state, beneficial to society as a whole, to the men, women and children who live within this country to the state, and of discouraging and either controlling by regulation or prohibiting by law those activities which, while possibly profitable to the individual, are antisocial in their effects so far as the general weal of the state is concerned. I believe that is a principle which should be accepted by the house. It is one which, if applied wisely and intelligently, would assist us in dealing with the problems which beset this country and in bringing to a happy conclusion the troubles which beset the state.

I shall not suggest the personnel or the definite functioning of this body. I can only say this, that I welcome with gratification the announcement by the government that such a body will be created. It has been suggested during the course of various discussions that the government in its program has, to use the term already employed in this house, stolen the thunder or stolen the platform of other bodies. May I say this at once, speaking for myself and I think for my immediate associates, that we do not look upon the matter in that light. We view with pleasure, we receive with gratification the announcement that policies in which we have believed, ideas which we have enunciated, have been accepted by that body which alone is competent to put those policies into effect. We feel that our objective has largely been accomplished when that has been done and that success has crowned our efforts. It matters not to me whether this is done and those ideas accepted by the government now in power or by any other government so long as they are accepted by that body which is competent to give effect to those opinions and principles.

It is unnecessary for me to outline to the house or to the country the conditions which make such a course of planning necessary. The effects of not only the last four or five years but of preceding years which led inevitably to the conditions which we now find, prove beyond a doubt and far more definitely than any words of mine can do our need of some controlling authority and some intelligent guidance. It is not suggested that it would be necessary in following such a course to shackle, confine and regiment the individual initiative of the people of this country; but

it is suggested that all of those various activities which together make up the business and economic life of the state, should not be considered as individual units functioning only for themselves independent and thoughtless of all other interests, but should be looked upon in their true light, that of units within a body which is composed of all those units and their effectiveness should be judged not by the peculiar profits made within that particular line of activity but by the manner in which they may be coordinated and correlated with all other activities to produce a state within which the people of the country shall have an opportunity of enjoying to the fullest extent possible the productive capacity of that country; that they shall be servants and not masters of the community in which they reside.

It has been suggested and suggested more than once that if central planning of any kind were carried into effect it would destroy not only the initiative but the intelligent guidance given by those individual citizens. In answer to that suggestion I need only call to the attention of the house that that unguided effort, admirable though its motives may have been, admirable in many cases through the efficiency of those engaged in that unguided effort may have been, has resulted not in the good which was anticipated but in a degree of chaos, disorder and dissatisfaction which no one would desire to see within a country so endowed by nature as is Canada.

I shall not presume to suggest to the government the form of that council; nor in suggesting that such a body may be of great assistance am I in any way detracting from the ability, sincerity or desire to be of service attributable to every government, not only as at present composed but to any government which may succeed it; but I am suggesting that in the very nature of things it is impossible for any prime minister or any executive cabinet, involved, immersed as they are from day to day in their tasks and meeting as they must do, demands upon their time and energy, to devote that thought, that intensive study to the correlation of the various activities within this country which in my opinion is essential. Further—and I think I may suggest this without offense—no matter how a government may be constituted, under what party or under what name, no government will claim that within its own executive ranks will be found all the brains, intelligence and talent of the country itself. I think it will be admitted by everyone that valuable aid may be given, valuable service rendered if to the assistance of that government, whatever it may be, may be called the best brains within the country and outside the government to advise and assist it in its great task.

As I stated, the resolution is self-explanatory. The principle involved is clear and distinct and if I may conclude by repeating my first observation, it is the definite assertion of the principle of the right of the state to lay down to all its citizens the rules, orders, regulations under which they shall function in the best interests of the state as opposed to the philosophy of thought that believes that out of uncontrolled private initiative, out of uncontrolled competition, out of the turmoil and chaos thus created, will eventually emerge in some miraculous manner the perfect state and the greatest happiness to the greatest number.

Mr. J. R. MacNICOL (Toronto Northwest): Mr. Speaker, when the hon. member for Red Deer (Mr. Speakman) introduced his motion in 1932 for the appointment of an economic council I had the pleasure of supporting it. And to-day I have the pleasure of supporting in a general way the resolution proposed by the hon. member. I believe it was Abraham Lincoln who said that "if we could first know where we are and whither we are tending we could better judge what to do and how to do it." Those words, used by the great emancipator seventy-five or eighty years ago, are just as applicable to-day. I received yesterday from Washington a report of a committee on economic security, appointed by the president of the United States to report to him. In this report I see on the first page a paragraph that I believe is worth quoting. The letter of transmittal is signed by the present Secretary of Labour, Miss Frances Perkins. It begins:

Dear Mr. President:

In your message of June 8, 1934 to the congress you directed attention to certain fundamental objectives in the great task of reconstruction; an indistinguishable and essential aspect of the immediate task of recovery.

And it goes on to say that:

Among our objectives I place the security of the men, women, and children of the nation first.

To my way of thinking any plan for this country's planned welfare must put the security of men, women and children first. To continue:

This security for the individual and for the family concerns itself primarily with three factors. People want decent homes to live in; they want to locate them where they can engage in productive work; and they want some

safeguard against misfortunes which cannot be wholly eliminated in this man-made world of ours.

Now, as a follower of this government I am very glad to say that I believe the legislation in hand or projected by it covers those three factors. Earlier in this session we had a discussion on the subject of homes. Anyone who travels across this country visiting our great cities, will find in them many homes not fit for human beings to live in, and not in large cities only but in our towns and villages and hamlets as well. I hope that the resolution moved earlier in the session in reference to the building of houses, and I believe more or less concurred in by all groups in the house, will be carried out.

In reference to productive work I will speak in a moment. As to safeguards against misfortunes that cannot be wholly eliminated, the resolution introduced by the Prime Minister (Mr. Bennett) yesterday, and supported, I believe, in principle in any event, by all parties, namely the resolution and later the bill on unemployment insurance, along with other bills which may be introduced later—although perhaps I have no right to speak of them, at present, will go a long way towards relieving the misfortunes under which the workers now suffer.

When this resolution was before the house on an earlier occasion I believe I said that it was in 1881 that the German Chancellor of that date, Prince Bismarck, first introduced the principle of an economic council and national planning. Germany herself did not do much with that until 1919 when in framing the German constitution at Weimar they incorporated in it that principle. Thereafter some seven or eight other European nations followed in line.

About the time of my visit to the old country in 1928, a special convention of the Liberal party of Great Britain had been planned to meet in Kingsway Hall, London, to discuss the question of industrial planning for that country. I discussed with several great manufacturers there and leaders of labour the subjects that were to come up at the meeting, which took place after I left England. That council was to consider national plans, not only for England but for all parts of the empire that are directed from Downing street. I find in a report of that council many recommendations, one being that a national economic council should be established, and another that a ministry of industry be established, and a council of industry consisting of twenty-five members. The report goes on to review the necessity for such a council and ministry, not to interfere with industry but to assist in developing it.

In 1931 the United States government also appointed a committee on this matter. I had the pleasure of visiting Washington to discuss with those associated with the committee their proposals. I will read one or two paragraphs in the report in reference to remarks made by the present Secretary of Labour at Washington, which I think are of interest in the present discussion. After all, any plan that any country is to use should include planning for work and for the proper housing and maintenance of the working classes. The present Secretary, Miss Perkins, then a witness before the committee, said:

> A system of public employment exchanges would assist us in organizing our labour market, and knowing where we needed to put the public works; people who had been longshoremen, for instance, could be sent into this pick and shovel work, and we would be in a position to take care of others at points where we would have to develop workshops. It would enable us, even in the midst of the depression, to take the best possible advantage of all the jobs there are.

In the operation of the unemployment insurance act in England they have divided the country into districts on a national planning scheme, with the purpose of providing employment in many districts. Miss Perkins describes that scheme in these words:

> The English system is really excellent. In that little country they have 417 principal offices and 700 branches scattered over the country. So every market town has its branch employment agency and knows the needs of that particular locality. That is what has made it possible for the English to drain what they call their depressed areas.

We heard from the Prime Minister last night something of what is already planned by the government, and I congratulate them on it.

Before that committee in Washington many able and outstanding men in industry, finance and commerce appeared, one of whom was Henry I. Harriman, and he is quoted as saying, speaking as an individual:

> I feel that if there had been in existence an economic council having the respect of the country, it would have been its duty to have pointed out the excess of speculation in 1928 and 1929, and the dangers of it, and the inevitable collapse that would follow such excessive speculation.

Whether that comes under a planning scheme I do not know, but certainly there should be some means of preventing what took place in 1928 and 1929 in regard to speculation. He continues:

> I think there should be set up a relatively small economic council.

And further on:

I believe that the council should be appointed by business and supported by business and should be, at the time, at any rate, purely advisory in its character, depending upon the type of men and on the character of its staff for its standing before the country. The problems that it will deal with are fundamental and underlying economic problems of the country, economic and business in their character.

The result of that very exhaustive inquiry into national planning is contained in a few resolutions which I will not take time to read. Reference is made to an examination of the natural resources of the country, as to how they can be best developed and in what association they should be developed. Reference is made also to the location of plants, many of which are located at points far removed from the best transportation facilities in regard to either raw products or the finished article. To my mind the result of the deliberations of that committee will have a beneficial effect on industry and employment in the United States, and I have no doubt that if Canada planned along similiar lines the benefit to employment and industry in this country would be equally great. The American Federation of Labour, at its convention in Vancouver, also endorsed the principle of economic national planning, and I believe it is high time that something should be done in the way of national planning in connection with industry.

Many hon. members are acquainted with the tremendous advances that have been made in Russia. I am not one of those who decry the efforts of the Russians in any shape or form; I am willing to give them credit for anything they have done in the way of providing employment in their country. They have departed, of course, to a considerable extent from their first theory that there should be no increased compensation for ability. To-day in Russia ability is recompensed to an extent, though perhaps not to as great an extent as was the case before the Soviet republic was formed. They have established at Magnetogorsk a tremendous concentration of steel and iron production that must be considered not only by Canada but by the world in general. That concentration of productivity covers twenty-five square miles. They have built a dam 3,500 feet long and 38 feet high across the Ural river, and they develop several hundred thousand horse power. The operation of the plant requires approximately 25,000 tons of material daily. They have eight batteries of coke ovens, each producing a thousand tons daily. To-day they produce 2,600,000 ingots of steel per year. I have been associated with the iron industry, and through it with the steel industry, for many years, and I find it difficult to visualize a plant capable of producing 2,600,000 ingots yearly. At that plant they produce 2,100,000 tons of steel rails per year. We have two or more good steel rail plants in Canada; just fancy a plant capable of producing over 2,000,000 tons per year. They have three large blooming mills of immense capacity, with blowers that produce 115,000 cubic feet of air per minute. That is national planning, even if it is in Russia, and Canada will have to consider doing some national planning along similiar lines. Last year in Russia they produced 10,500,000 tons of pig iron. That was the second largest production in the world, and this year they are aspiring to exceed that amount.

All the planning is not in Russia, however; there has been planning in Canada, and what has been done here has been well done. A year or two ago in our own Department of the Interior we had a branch that planned for all Canada in regard to the development of industry. I am told that this branch is out of commission. Certainly it is not in the Interior department, though it may be tucked away in some other department. That little branch deserved a great deal of credit for what it did while it was in existence. It had something to do with encouraging the development in this country of the immense rayon business that has developed to such an extent in the riding of my hon. friend from Stormont (Mr. Shaver), and it had to do with other lines of industry as well. Our national research council is conducting many effective researches that should be beneficial, but in my opinion, though I may be wrong, their discoveries are not taken advantage of by industry to the extent that should be the case. I am sure that if all their discoveries were carried into manufacturing the result would be a considerable increase in employment.

Now I should like to refer to something that is being done in the city of Toronto, which city has had an industrial commission for some years. That commission has rendered very great and effective service by way of bringing industries to Toronto, thereby giving employment to men and women. The commission has been in operation for only a few years; I believe it was organized shortly before this government came into power. During the last four or five years that commission has been successful in bringing to the Toronto area approximately 125 new plants.

I do not mean that 125 new factories were erected, but the new industries occupy 109 plants, either new or old, which they control. Sixteen of the industries sublet to other companies the manufacturing of their products. In these 125 new concerns, large and small, there are said to be employed 2,834 men, and the wages paid in one year amount to $2,822,000 or more. Perhaps not so much in the past year or two, but in days when they were making more money the great railroads had industrial planning commissions and undoubtedly they were successful in bringing many industries into the country, thereby providing employment. It is my view that if there were some way of coordinating industrial commissions, whether they be controlled by cities, railroads or other organizations, and bringing them under one national planning head we would save a great deal of wasted effort. Factories might not be erected in unsuitable locations. I have in mind a large factory which operates only at intervals and which so far as I am aware is not a financial success. It is forced to ship in its raw products to the plant location, and then must ship its finished product for hundreds of miles to the market for them. I believe if there were some system or scheme of national planning such as that advocated by the hon. member for Red Deer (Mr. Speakman) we would be taking a step in the right direction. I do not have in mind any plan which would interfere with industry, because industry does not want interference. I was connected with it for a long time and I believe I know something about it, all the way through. It does however welcome and will accept assistance.

During the recess I visited a number of industries and I was in a position to see where national planning could be made effective. While during the depression Canadian industry has lost a great deal, yet it has benefited through its association with American manufacturing plants. Canadian engineers and managers have learned something through association with men engaged in the same occupations living in the United States. The result has been that to-day in Canada we are manufacturing many lines of machinery we did not make formerly. I visited a large plant at Dundas, in the riding of the hon. member for Wentworth (Mr. Wilson), a great plant operated by John Bertram and Sons. While there I saw three new machines the company was manufacturing. I have before me a photograph of one machine which is capable of turning out newsprint or rolled paper at the rate of 3,000 feet per minute, the complete roll being four feet in diameter and having a width of 306 inches. By individual effort that company induced the American owners of the patent to permit them to make it in Canada for export to the old country. I have no doubt our tariffs materially assisted, and undoubtedly the Ottawa agreements were in their favour. I am told these machines sell at a price ranging from $35,000 to $40,000, and that already several of them have been shipped out of this country.

While going through many plants it occurred to me that if we had national planning in industry, where industries would not have to spend their time and money experimenting, we would be farther ahead. If there were some national planning scheme to ascertain what could be economically made in Canada, and an effort made to induce Canadian companies to make those products industry would be greatly benefited and unemployment lessened.

The plant of John T. Hepburn Limited is in my riding, and I believe that company is now making some twenty-five new types of machinery, iron and steel appliances, which were not formerly made in Canada. In my talks with Mr. Hepburn we have agreed that if national planning were widely developed industry conditions of employment would be benefited.

Since the beginning of this parliament we have on many occasions heard the expression "the new age." Certainly in reference to production this is a new age; I would call it a power age. One can step into a plant to-day and simply by pulling a switch put the whole plant under operation; by pulling another switch he may set only one machine in motion. Because of automatic thermostats and other mechanical inventions employment is becoming a very complicated problem and I am convinced some planning will have to be developed to take care of the surplus employees who are thrown out of work by automatic equipment.

While we have an effective tariff, one with which I am in hearty accord, I sometimes feel that national planning might continue from where the tariff leaves off. The benefits which we have derived from the tariff and trade agreements might be augmented by some further degree of planning. While in northern Ontario looking over some mines I learned about a large steel order for steel plates which was going to be given to a foreign country. Upon returning to Toronto, through persuading people I knew, I was successful in having the order placed in Canada. That one order meant 21,000 man-days for Canadian workmen. I wonder how many orders for steel equipment and equipment of other kinds go to foreign manufacturers that could just as well be made

in Canada. If there were some way of planning to assist industries to obtain these orders I am convinced industry and employment would be greatly helped.

National planning should be, as I said at the commencement, directed towards three ends, namely, decent homes, plenty of productive work and safeguards against the misfortunes of unemployment. After twenty-five years' experience in the industrial field I know that no line of national endeavour gives as much employment as is given by the manufacturing industry. Canada has four billion dollars invested in industrial plants and in normal times, through the brains and experience of industrialists, our plants produce about four billion dollars worth of manufactured products and employ approximately 1,000,000 workers. Having that in mind I am delighted at all times to raise my voice in support of whatever I believe will encourage the development of our natural resources and give employment to our people, and I am happy indeed to support the efforts of the hon. member for Red Deer in this regard.

Mr. T. L. CHURCH (East Toronto): Mr. Speaker, coming from a large industrial centre where there is a large number of high schools and technical schools I wish to say a word on this resolution. The people of Canada up to two or three years ago have not been in the forefront of industrial and scientific research, and the result has been that Canada, with a population fifty per cent agricultural workers and fifty per cent industrial workers, stands far behind the mother country and the United States in its plans and methods of scientific and economic research for the benefit of the people of the country, although our problems are in the main the problems of these two great industrial countries.

This whole resolution is wrapped up with the question of research—scientific research, industrial research and social research, and with the main problem of all, unemployment.

For many years from 1921 to 1930 I brought before this house a motion for the appointment of an advisory economic committee for Canada which would deal with economic questions. In February, 1929, I asked the government this question:

1. Has the government any plans for providing employment for the great body of the unemployed?
2. If so, what are they, and what action will be taken, and when?

Again, in March, 1930, I asked the government this question:

1. Has the government any plans for providing useful employment for the great body of the unemployed?
2. If so, what relief will be afforded?
3. Will the government accept the offer of the province of Ontario to provide one-third of the cost of certain forms of relief in conjunction with the federal and the municipal authorities?

I also asked in the same year this question:

What steps, if any, will be taken by the government to promote the effective merchandising of agricultural commodities in inter-provincial, inter-imperial or in foreign commerce, so that the great basic industry of agriculture will be placed on a basis of economic equality with that of other industries?

I also presented to the house the report that was made by a special committee of the ministerial associations of the country, urging away back in 1926 and 1927 the appointment of a joint committee to study these particular problems. I quote from that committee's report:

Your committee is conscious that results will depend upon the birth and cultivation of a public conscience, which shall demand that standard of living in which no worthy citizen or his or her dependents shall suffer from hunger or cold by the operation of economic or other conditions beyond his or their control.

Unemployment is an unsolved but solvable problem. It results generally from the operation of forces beyond the direct control of the wage-earner, and constitutes a menace and challenge to every citizen.

Your committee believes unemployment contributes to the moral, mental and physical deterioration of our citizens, and involves immense annual economic losses.

Your committee believes the burden of responsibility to be a joint one resting upon all citizens, and in particular embracing the federal, the provincial and civic administrations.

I do not wish to offer any criticism of the government, Mr. Speaker, in this connection, because this particular resolution is above party politics. It goes to the very basis of economic and industrial society. The resolution refers to the necessity for scientific planning on a national scale. All industrial society in this dominion was built up in my opinion by Sir John A. Macdonald's policy of protection for agricultural and industrial workers, to provide work for our own workmen and our own markets for our own products.

Some years ago we established a national research council, and I think one of the main objects of that council should be to devise a policy that will provide a job for every man in this country by developing our natural resources, through research, and again research.

The creation of a national research council is all right in its way, as I said in 1929, but we want something more. We want research, and more research, to solve unemployment, which is a problem that has been aggravated by the advancement of science and the inroads of the machine. As I said the other day, I believe that the Edwardian and Georgian statesmen must accept part of the blame for their failure to study the advancement of science and the inroads of the machine and its relation to unemployment the whole world over.

In the United States over twelve years ago, while our Senate was on holidays, the United States Senate—it is never on holidays but works just as long as the house sits—appointed a committee to study the problem of unemployment. That committee, presided over by a very able man, Senator Couzens, former mayor of Detroit, made a study the world over of seasonal, technological and cyclical unemployment, and investigated the question of the contribution to unemployment of science and the machine. Then in 1929 and 1930, when the depression began, the people of the United States had an organization, federal, state and municipal, to cope with the problem because of the efforts of that committee which had been appointed twelve years before. In addition they had a census taken of their industrial workers, and there was a joint effort made by economic councils and various public bodies to solve the problem of unemployment with which they were confronted.

Similarly, Great Britain twenty-three years ago established old age pensions and sickness and unemployment insurance. I just point these things out, Mr. Speaker, to show what other countries have been doing. For nine or ten years in this house I brought this matter up myself, and I was told I was preaching blue ruin when I pointed out what had been done in England and the United States along the lines I have indicated.

After all is said and done, it is far more important that the heads of our families should have remunerative work. Our boards of trade and the federal Department of Trade and Commerce for the last fifteen years have been publishing returns showing an increase in the country's wealth, but without showing how it was distributed. What has been the effect of modern machinery on unemployment? Every new invention that is adopted in industry puts men out of work. Women can mind machines just as well as men, and many men have been displaced by women and the machine.

I believe in fair play between the producer and the consumer, and I think it is the duty of all men to consecrate their powers of mind and skill of hand to the bringing about of a better social order for the common good and not leave it to the government of the day alone to drag the country out of the mire. There is no true liberty for the working man to-day. His whole life and that of his family are at the mercy of economic forces which are entirely beyond the control of the wage earner. We are taught by the Carpenter of Nazareth that God endowed men not for their own good alone but that they might be of service to their fellows, and in the parable of the rich young man he condemned the wrong use of wealth. Profit making cannot be the basis of a purely Christian society; the wellbeing of the community as a whole should be the aim of each of its members.

This resolution deserves credit for bringing the problem to the attention of the house. The other day reference was made to our high schools. A large number of the high schools and collegiate institutes of Toronto are in my riding, and it is most unfortunate to see young men graduating every June merely to lead a jobless life. They do not like to sponge on their fathers and so they leave home and go west, riding the rods, as it is called, in the fall; and I am surprised that the provincial and municipal police authorities prosecute these young fellows. The country has spent some four billion dollars in connection with our railways by way of subsidies and one thing and another, and these young men, who cannot get any work at all, are prosecuted when they ride on the railways in this way. But the question is, Whence come these young men? They come from some of the finest homes in the country, Mr. Speaker, but after they graduate from our collegiate institutes they are left to shift for themselves in a way that should not be tolerated in a country which is supposed to be Christian.

Something should be done by our national and provincial councils along these lines. Our councils of research, national and provincial, are now at the crossroads so far as this problem of unemployment is concerned, and I hope that very soon they will be up and doing; instead of inactively occupying large houses of stone and mortar provided by the country, I suggest that they should do something practical to solve this problem which is wrapped up with many of the other questions which this parliament faces.

Take the universities in the city I come from. They are spending between twelve and thirteen million dollars on public education. Some of the greatest students in this country, coming from the Atlantic and the Pacific, attend the university of Toronto, bright young men. What are these men to do when they graduate in June, in electrical engineering, for instance? They go to the United States, notwithstanding the fact that this country has a potential horse power of 42 million, only one-sixth of which has been developed. If our national council of research were to take up the problem I think something might be done for young Canadians graduating from our universities and from the high schools and technical schools.

Technical education has been a great boon to Canada, but we have not considered the problem that arises from the inroads of the machine and science and technical education into the employment of labour. It seems to me that something must be done to take care of our university students graduating not only in medicine but in various branches of science—mining, mechanical engineering, electrical engineering, civil engineering and chemistry. Why can we not make use of the magnificent resources of the country, using the talents of these young men to develop those resources? Take medicine, for example: Sir Frederick Banting and many others equally gifted were on the verge of leaving this country for the United States. In fact, the large universities of the United States, are to-day staffed to a great extent by Canadian graduates. One might mention the university of Pennsylvania by way of example; and we know that one of the greatest hospitals in the world, that associated with Johns Hopkins, has had very eminent Canadians on its faculty. For instance, Doctor Osler, a great Canadian, was at one time head of clinical medicine there, and he was succeeded by Doctor Barker of Toronto university, by Doctor Cullen and many others. What an advantage it would have been to Canada had these great men remained in this country.

I submit that there has been no planning in Canada commensurate with the growth of the country. We have spent immense sums of money in connection with our railways but without any organized plan. A year ago His Majesty the King spoke over the radio and his words were indeed a challenge to all who heard them. We can learn a good deal from what he said on that occasion, because there are many reforms to which this parliament should devote its attention—reforms economic, industrial, parliamentary and constitutional.

Speaking again last Christmas His Majesty said that the world was still restless and troubled but that the clouds were lifting. We have our anxieties, he said, but if we face them in the spirit of one family we shall overcome our difficulties.

I do not see why our national and provincial research and economic councils could not do something that would help to pull this country out of the mire of depression, because science has affected the working classes very seriously. People want work; that is the only cure. The large corporations of Canada have been given a charter by the Canadian people, a charter carrying certain privileges, and those privileges invlove the assumption of corresponding obligations. They owe a duty to their creator, the public, and on grounds of public policy they should be made to fulfil that duty. If they fail to do so then the community, which has created them, will be justified in stepping in and adopting measures for their regulation and control so that they shall not run counter to public opinion and social justice.

Personally I believe that the new policy of reform will very largely meet the purpose of this particular motion. Canadians must retain their liberty and their dignity; they must declare for the corporate state; they must declare for the reestablishment of the worker's independence and for the principle of private ownership, and they must see to it that there shall be security for all engaged in industry. To this end we must have protection brought up to date, as Sir John Macdonald intended, protection for the benefit of the consumer, protection for the benefit of labour, protection based on principle and not on privilege. I believe the country is hungry for such a policy along the lines of Sir John A. Macdonald's principle of protection brought up to date to meet changed conditions and to march with the times in order to take care of the forgotten man. Such a policy will also establish a much closer union between town and country and much more intimate dealings and trade relationships between Great Britain and her great dominions and colonies than even the great Joseph Chamberlain ever dreamed of.

Such a policy will conserve our natural resources. It will give the business man a chance to function unfettered and afford him real protection from the abuses of competition and restraint of trade, from gigantic mergers and from hostile and destructive competition. The great industrial revolution in England was the work of seven or eight young men, some of them with

no education at all and without any of the advantages of the youth of to-day. It sprang from the very hearts of the people themselves where all great inventions, discoveries and great public benefits come, yet it changed the whole life habits of the people of England and converted that country from an agricultural to an industrial nation making it the work house of the world. I believe in such a policy for Canada. I believe the new deal which is enunciated by my leader is a progressive policy, a progressive policy for a progressive party. He said that the Conservative party would now dedicate itself to protecting the consumer and labour from the admitted abuses as revealed by the price spreads investigation, and would write a new national policy and a new industrial magna charta based on it along the lines I have indicated. It would be a policy which would rescue the workers of this country from an industrial slavery as bad as or worse than conditions a hundred years ago in England at the time of the industrial revolution. The rule and day of sweatshops and child labour unregulated has gone forever in this country, and so it should be with the scandalous minimum wages paid in some industries.

I belong to a group of people in this country who have stood up for certain principles in government and who have received much criticism in consequence, because I believe in fair principles as against mere opportunism in government—passing the buck. I remember once a little band of die-hards who were called by even harder names, the old contemptibles, yet they succeeded in saving England, France and the world as well by their tenacity, faith, earnestness and high purpose; and the Conservative party by its tenacity will likewise achieve its purpose.

In the early days of the people of this country, as I said the other day, we were a nation of property owners. In the days of Macdonald, Cartier and Brown everybody owned some property. The suburban or rural worker as well as the white collar worker owned a small home, small garden, perhaps a cow, a building or a small store. To-day, the rights of property have gone in this country; it is divided into a country of haves and have-nots. The whole means of production in Canada is in the hands of the few and the many have nothing. I believe the policy of our party will restore the rights of property in Canada. It is the politics of big business which has been destroying Canada. The Conservative party I believe is going to restore the ownership of property which is the normal want of a family. We have done forever with the doctrine of laissez-faire and we must dedicate ourselves as a House of Commons to a solution of the question of distribution and restore the Canada of Macdonald, Brown and Cartier, Laurier, Whitney and Beck, when Canada was the land of the free and the home of artisans and farmers who owned some form of private and real property.

The day of die-hardism and laissez-faire has gone beyond recall. So has the doctrine of normalcy. We saw what happened to the government in the United States. The square deal of Theodore Roosevelt and the new freedom sought by Woodrow Wilson came to an end in the Harding administration. Mr. Hoover was a man of great ability and one who did a great deal for his country, but we have parted once and for all, and I hope all parties in this house will part once and for all, with normalcy, and consider a policy that will go back to the masses of the country and to the days where the political parties started in Canada, and that we shall have some help from the national research council and the provincial research councils and especially from the church. I have great respect for the churches in this country. I do not believe they have gone as far as they should. Prior to four or five years ago they did not speak out as they should against the exploitation of the humble worker. A hundred years ago in the days of the evangelical movement, the Wesley and Oxford movements, they wakened up the people of England to the conditions that prevailed. In 1847 Lord Shaftesbury introduced the first bill for the ten hour day and for the regulation of sweatshops and other business. Let me in conclusion quote a few lines from Balleine's History of the Evangelical Party, in which he referred to the revolution in England of a hundred years ago:

> The industrial revolution had produced a state equivalent to slavery among many of the men and women and children of Britain itself. The leader of the campaign to end the slavery of his own people was Anthony Ashley Copper, afterwards seventh Earl of Shaftesbury. "I am essentially and from deep rooted conviction," he said in his later life, "an Evangelical of the Evangelicals. I have worked with them constantly, and I am satisfied that most of the great philanthropic movements of the century have sprung from them." This religion he had learned from Maria Millis, a servant in the Shaftesbury household, who had been his nurse for the first seven years of his life. She taught him the great passages of the Bible; and so it came to pass that this poor woman was Shaftesbury's spiritual mother. Without her Shaftesbury never would have fought his fight for the emancipation of the workers.

It is interesting to compare Shaftesbury's motives with those of his contemporary, Karl Marx, the founder and originator of what is now known as Bolshevism. Both men challenged the existing social order. Both pleaded the cause of the weak and disinherited. Both had a vision of a better world. But Shaftesbury believed in the Fatherhood of God and the brotherhood of man. He believed that all Christians were called to be co-workers with God in establishing the reign of social justice. His outlook was spiritual and his method persuasion. Marx, on the other hand, agitated for a class war; his creed was materialistic; his method was revolution.

As Balleine says in one paragraph:

It is difficult for us at the present day to comprehend the horrors which were rampant in England less than a hundred years ago.

It would not be difficult after reading some of the evidence recently given on industrial conditions in Canada.

It is difficult for us at the present day to comprehend the horrors which were rampant in England less than a hundred years ago. Lunatics, men as well as women, were chained in dark cells, flogged, dropped into water, sometimes half strangled, and even confined in iron cages. In the factories babes of five were made to stand on stools and feed the great machines for fourteen hours a day. In the mines children were compelled to push trucks through underground passages sometimes only sixteen inches in height. On hands and knees they crawled through what was practically one long living tomb. The men who were placed over them were paid according to the amount of work done, and drove the children to their task with whips and blows and other tortures. But women and children and lunatics had at last found their champion. Shaftesbury had entered parliament in the year 1826. After many years of labour and incessant abuse he saw his Factory Bill placed on the Statute Book in the year 1847. This great victory was the first of many in Shaftesbury's career. Throughout life he fought for the weak and the unprivileged, passing to his reward as late as 1885.

* * *

He (Shaftesbury) was a layman to the core; yet no nobler prophet of God is included in the calendar of saints. Cardinal Manning made no rash statement, when, after studying Shaftesbury's endeavours he exclaimed, "I feel that my life has been wasted."

So I say the resolution introduced this afternoon has not been wasted if it can arouse the people of Canada to do something for the high-school population and the industrial workers of the country, for the consumer and the labourer.

Mr. ONESIME GAGNON (Dorchester): Mr. Speaker, I did not intend to speak on this resolution, but I am wondering why our Liberal friends on the other side do not appear to take any interest in social plans and reforms.

Mr. MACKENZIE (Vancouver): We want reforms, not debates.

Mr. GAGNON: I am happy to congratulate the hon. member for Red Deer (Mr. Speakman) on his well ordered argument. Although I am not ready to accept all parts of his resolution, nevertheless I agree heartily with its spirit and with almost everything he has said in this house concerning it. I am very pleased to hear my hon. friend become the spokesman of his party and congratulate the government on having announced that they propose to create a national economic council for Canada. This creation is indeed most opportune. May I tell you, Mr. Speaker, that Conservatives have always initiated reforms in all countries of the world. I remember that in the life of Marshal Lyautey, one of the greatest generals of France, the author, André Maurois said that "an intelligent Conservative is always a reformer." I also remember what Senator Thomas Chapais, who is a member of the Senate and the leader of the opposition in the legislative council of Quebec, said about the Conservative party. "Conservatives," he said, "are always traditional and progressive." May I remind the house that in 1933 at the Sherbrooke convention, the Conservative party put forward as one of the main points of its program, the creation of an economic council for the province of Quebec. Not only has the Conservative party of Quebec proposed that reform, but an important wing of the Liberal party of Quebec has recommended lately, jointly with the Conservative party of Quebec, the creation of an economic council for that province, to be substituted for the legislative council. I suppose my hon. friends on the other side know what has taken place in Quebec during the last six months. Not only members of the Quebec House of Assembly and members of the Legislative Council also, but one federal member, my good friend and neighbour, the hon. member for Beauce (Mr. Lacroix), have become leaders of the so-called Reform-Progressive-Liberal party of Quebec. These gentlemen agree upon and are to-day advocating the abolition of the legislative council and the substitution therefor of an economic council.

May I say farther, that I agree heartily with what my hon. friend from Red Deer said when he congratulated the government on its proposal to create a national economic council for Canada. No doubt the gentlemen who will become members of that council will

be learned in economics, finance, agriculture and industry, and will render great service to the government and the country. The government deserve to be commended for having initiated a great step forward towards the solution of our social problems.

Right Hon. R. B. BENNETT (Prime Minister): Mr. Speaker, I suggest to the hon. gentleman (Mr. Speakman) who has moved this resolution with his usual clarity of expression that as it has served the purpose of precipitating discussion, he should now withdraw it, for the simple and obvious reason that the general principles to which he refers are included in the speech from the throne, and it is contemplated that action shall be taken along the lines suggested by his resolution. It is true that the resolution goes a very long way, perhaps further than the speech from the throne suggests. But in view of the commission that was set up, and consequent upon the action taken by this house last year dealing with price spreads and unfair competition, I have felt some hesitancy in introducing to this chamber legislation dealing with some of these matters until that commission's report is forthcoming. For the same reason I shall not traverse the ground to-day that has been so admirably covered by the addresses to which we have listened. I can only say this, that sometimes there is confusion of thought with respect to what is called scientific planning for a country. The raw materials from which conclusions may be drawn with respect to a matter of this kind are entirely different from the raw materials dealt with by scientists. The experiments carried on by those who dig and delve in the purely scientific field of research lead to conclusions that are definite, exact and certain. The materials with which men deal when they have to consider the problems to which this resolution relates may be said to be statistics gathered from many sources, and facts, events, circumstances, conditions. From that material men seek to draw inferences and conclusions. The soundness of the inferences, the correctness of the conclusions, may not always be apparent, in the very nature of things cannot be. But one thing is certain, that in this country during the last few years we have had sufficient experience to enable us to realize that we have not availed ourselves of the knowledge which we had in days gone by, nor have we arrived at the correct conclusions from the information we had. It will be recalled that we had a commission of conservation in this country at one time, and that an effort was made to arrive at a definite statement of the conditions under which water power might be produced, and energy generated by which we might be able to increase the productivity of our forests, our mines or other resources. But it was found that at the moment it did not serve the purpose that was intended. The correlation of the knowledge that departments of government have is most important. For instance I can say frankly that not a week goes by that one does not receive suggestions from every part of this country. These suggestions are based very largely upon the experience of the individuals who write to us. They are experiences and conclusions that in many instances they draw from facts supplied by the statistical departments of various governments and countries. What is to be done with them? Are you to acknowledge receipt of them and dismiss them, or are you to give them that measure of thoughtful consideration which your time permits? Obviously untrained minds are not capable of drawing the conclusions that should be drawn from a mass of material such as we have sent to us from time to time. And as the mass of material increases, representing the views of this and that individual, based, as I have said, in some instances upon inferences drawn from known facts and in other instances without any foundation at all, you have a great mass of material that in my judgment should be considered by scientifically trained minds so that they might be able, just as the scientists test the material at their disposal, to draw inferences which the trained minds of men accustomed to draw conclusions from data of this character may be able to secure. But if it is suggested, as I do not think it is or has been by anyone, that a government should undertake to tell John Smith how he should run his business, I think there is unanimity on the part of all of us that we will not accomplish the purpose we have in mind. If you consider John Smith as part of the population of the country, able to draw sound conclusions as to what should be done in order to secure successful results, then to make available the information you have to John Smith and all others I think is a wholly desirable function of government.

As I have said, Mr. Speaker, I think perhaps it would be highly improper, in view of the action taken by this chamber, to discuss this matter for the reasons I have given, not only because the speech from the throne contemplates action being taken but because that action is delayed for the moment by reason of the fact that the price spreads commission has

not made a report, and that commission is dealing with two or three very important phases of the matters to which the hon. gentleman has directed attention. This house will have to discuss at a later time the recommendations made by that commission and the measure to be introduced by the government following the statement made in the speech from the throne. I do suggest to the hon. gentleman that the purpose he has in mind has been served, and while congratulating him and the other members of the house on the contribution they have made as to the value of scientific knowledge being applied to the nation and its affairs, as scientific ideas are with respect to the transaction of ordinary business by the various concerns carrying on the trade and commerce of the country, for those reasons I think the resolution might be withdrawn.

Mr. WILFRED HANBURY (Vancouver-Burrard): Mr. Speaker, to any resolution intended to encourage the formation of an economic council I would give my support, but in considering this resolution I must place upon it the interpretation which I feel sure was intended by the mover, and not the interpretation which has been placed upon it by the Prime Minister (Mr. Bennett) or those to your right who have spoken this afternoon. I believe I am justified in placing on record my interpretation, and what I feel sure the mover will admit is his interpretation of the resolution. The resolution states:

> That, in the opinion of this house, the time has arrived, and is long overdue, when a degree of well considered and scientific planning, on a national scale, should be substituted for the present practice of uncontrolled competition and unguided individual effort, in the conduct of the economic life of Canada.

I do not think there should be any misunderstanding on the part of hon. members of this house as to just what that means. Hon. gentlemen opposite have interpreted this to mean the establishment of an economic council, which I do not think is the interpretation intended. I submit to the mover of the resolution that the interpretation might be expressed in these words: "That in the opinion of the house the time has arrived when national planning should be substituted for competition and individual effort in the life of Canada." I think hon. members should fully understand what they are going to support or oppose. So far as I am concerned I am quite prepared to support the establishment of an economic council on any reasonable basis, but I am certainly opposed to the elimination from the national life of Canada of competition and individual effort.

Mr. SPEAKMAN: May I say at once, Mr. Speaker, that I have no objection at all to accepting the Prime Minister's suggestion that this resolution now might be withdrawn, particularly as the measure indicated in the speech from the throne will give ample opportunity to discuss and pronounce upon certain of the principles involved in this motion. I should like, however, for a moment to comment upon two statements made by the Prime Minister and upon one statement made by the hon. gentleman who has just spoken.

The Prime Minister pointed out, quite properly, that planning in economic matters differed very materially from planning in what we call technical science, and I can assure him that I fully appreciate that distinction. In dealing with matters of technical science you are dealing with factors that have known and tangible qualities which are unvarying and unchanging and to which, therefore, definite mathematical formulae may be properly applied. But we realize very fully that in dealing with human nature and human activity you are dealing with a factor which is unknown, which is intangible and which frequently varies, and that therefore we must always differentiate between the two forms of planning. I do not think, however, that this detracts from the value of proper guidance and proper control in the management of human affairs, which I conceive to be part of the duty of the state. Personally that is the attitude I would wish to take, and I believe it is the only attitude which would lead to success. You must consider all the factors and all the conditions and then do the best you can to bring about orderly conduct and orderly planning in view of those conditions.

But the Prime Minister went on to say that in his concept of planning while, with the mass of information at the disposal of such a body or of the government, you might assist John Smith in the conduct of his individual business by advising him as to the best course he might pursue, you must not tell John Smith how to carry on his own business. To a degree I follow the Prime Minister in this argument, but there is a point at which we must part company. I believe that every law we have ever had, every law at least inside and some laws outside the criminal code, is directed towards telling John Smith what he may or may not do in the

conduct of his own affairs and activities, if he in the conduct of his own business runs counter to the best interests of the community as a whole. I believe that the state is fully entitled to tell John Smith either what he may or may not do in the conduct of his own business if that conduct affects beneficially or deleteriously society as a whole, because I still believe that society as a whole has claims which far transcend the claims of any individual within that society, and that in the final analysis the activities of the individual, that apparently may be his own interests, must be subordinated if they run counter to or conflict with the best interests of the people as a whole. So to that extent, if my understanding of the Prime Minister's statement is correct, I am afraid I must go beyond the Prime Minister in my understanding of the principle of economic planning.

Now I should like to make one reference to what was said by the hon. member for Vancouver-Burrard (Mr. Hanbury). He stated that his understanding of my meaning was that I would substitute central planning and central control for individual competition and individual effort. I neither said so nor did I intend to indicate any such thing. What I did say in the resolution was that I would substitute central planning and central control for uncontrolled competition and unguided individual effort. In other words emphasis was laid upon the control necessary in respect to competition when that competition became, as it frequently has become deleterious to the best interests of the community. I would guide that individual effort along lines where it might give the best possible service to the whole state. The resolution must be read as it is, and the wording of the resolution must be followed if my meaning is to be understood. I say again that uncontrolled competition and unguided effort have brought about the trouble, not individual effort in itself. Individual initiative is a splendid thing, something which has to be sought and encouraged, but it must not be left unguided or uncontrolled if because of the lack of guidance and lack of control the activities of the individual have a bad effect upon society as a whole. I would say at once that only when the activities of the individual run counter to the best interests of society, or only when the activities of the individual do not give to society the best service they could give, should society directly control that individual. When they reach that point the state has a right to intervene and to speak with effective voice.

At the present time that is all I wish to say. May I thank the house for the consideration it has given the motion. In view of the fact the whole question will be open for discussion, and that the principle will be discussed and decided upon when the measure contemplating the creation of an economic council is brought down, I shall be glad to withdraw the motion. As I said, had I known before the motion was put upon the order paper that an economic council had been promised and would be created the motion would not have been before us to-day. I am content now to withdraw the resolution.

Motion (Mr. Speakman) withdrawn.

TRADE WITH THE UNITED STATES

PROPOSED RECIPROCAL ARRANGEMENT FOR EXCHANGE OF NATURAL PRODUCTS

On the motion of Mr. Duff:

That, in the opinion of this house, it is expedient that the government of Canada reopen negotiations with the government of the United States of America with a view of bringing about a satisfactory reciprocal trade agreement between Canada and the United States, whereby the natural products of Canada, that is, the products of the sea, the farm, the mines and the forests, and including fish, lumber, wheat, cattle, etc., should have free entry into the United States in exchange for the admission of certain goods from the United States of America, which in the interests of both countries may be admitted into Canada, free from customs tariffs.

Mr. DUFF: Mr. Speaker, it is significant that this motion dealing with a reciprocal trade arrangement between the United States and Canada should come up for consideration on January 30. This is a day of national importance in the United States. To-night some 7,000 charity balls are to be held throughout that great country, the proceeds of which are to be devoted to the care of crippled children. To-day is the birthday of that great statesman in the United States of America, the Hon. Franklin D. Roosevelt. Before I direct my observations to what I should like to have done with this motion may I extend my congratulations to the President of the United States and wish him very many happy returns of the day.

When the motion was called on Monday I asked that it stand, in view of the fact that we were told only a few days before that this government and the government of the United States were entering into negotiations with regard to a reciprocal trade agreement. For that reason I felt I should not go on with

the motion, and I have not changed my views in that regard. In the future there will be an opportunity either on the budget or at some other time to deal with this matter, and because I should like the Prime Minister to proceed with his reform legislation I am content that this motion now stand.

Mr. BENNETT: Shall this motion be dropped from the order paper?

Mr. DUFF: According to the rules of the house, it being called twice, it is dropped.

Mr. BENNETT: Yes.

Motion dropped.

PENSIONS FOR THE BLIND

PROPOSAL TO EXTEND BENEFITS OF OLD AGE PENSIONS ACT TO BLIND PEOPLE OVER FORTY YEARS OF AGE

Mr. I. D. COTNAM (North Renfrew) moved:

That, in the opinion of this house, the provisions of the Old Age Pensions Act should apply to blind people over 40 years of age.

He said: Mr. Speaker, due to the fact that in the present session members throughout the house have been unanimous on almost everything that has been introduced I am sure I will be expressing the opinion of hon. members on this side of the house when I endorse the sentiments expressed by the hon. member for Antigonish-Guysborough (Mr. Duff) respecting the President of the United States. I should like to make that sentiment unanimous.

Mr. DUFF: If the hon. member would allow me may I say that another great man has a birthday to-day; I refer to the gentleman now occupying the chair (Mr. Morand).

Mr. COTNAM: I am sure hon. members on this side of the house will be pleased to express unanimously the same good wishes concerning the gentleman now occupying the chair.

I make no apologies to the house for offering the resolution standing in my name for consideration, namely a motion suggesting that the provisions of the Old Age Pensions Act should apply to blind people over forty years of age. For many years both professionally and socially I have been deeply interested in many of the poor and needy who have been afflicted with blindness.

On March 17, 1929, I had the honour of introducing a resolution calling on the government of the day to nationalize the supply of radium in order that it might be made available for the cure of patients afflicted with cancer. Up until that time no real state action had been taken with respect to the control and cure of that disease. Subsequent to that date, I believe in 1930, the Hon. G. Howard Ferguson who was then premier of Ontario formed a commission which was sent to Great Britain and other countries on the continent of Europe and also to the United States to study the question of cancer, and the application and control of radium for the treatment of that disease. As a result of the report which was made by the Ontario commission cancer centres were established. One was formed at Kingston, another at London, Ontario, another at the university of Toronto and only recently one has been formed in this capital city of Ottawa. Other centres have been established at various points in the dominion for the purpose of studying the control and treatment of cancer through the use of radium and other means at our disposal.

It is interesting to note that at the present time there is a campaign on foot throughout the British empire for the purpose of studying the cancer problem, a problem which is becoming one of the great concerns of the medical world. Subsequent to the time of the introduction of that resolution extensive deposits of pitchblende ore were discovered in northern Canada, near Great Bear lake, by the LaBine brothers. Those brothers came from a township in the constituency I have the honour to represent. Very shortly afterwards a discovery was made by one of the mining engineers in the Department of Mines at Ottawa, namely Mr. W. B. Timm. He, too, comes from the county of Renfrew; in fact his family live within a few miles of the point where the LaBine brothers were born. Mr. Timm was successful in extracting radium from pitchblende ore by a new process. That process of extraction has been carried on at Port Hope in the province of Ontario, and we hope and believe that it is going to be of material benefit in helping to control and cure the scourge of cancer and assist in the campaign which is being carried on at the present time with that object in view.

The first effort at organization in aid of the blind occurred in the fourth century by St. Basil in Cappadocia. Two hundred years later a retreat was established in Jerusalem, and not long afterwards the movement was originated by St. Bertrand in France. In the eleventh century hospitals were founded by William the Conqueror in Normandy. It was not, however, until the eighteenth century that any real attempt was made to educate or train the blind.

Valentine Hauy, who has been called "The father and apostle of the blind," spent his lifetime in furthering the interests of those afflicted with blindness.

In the early part of the nineteenth century the New England Blind Institute was organized and also the Massachusetts School for the Blind. William H. Prescott, the blind historian, was one of the organizers.

In Great Britain, the earliest legislation for the welfare of the blind was enacted in the days of Queen Elizabeth, but it was almost three hundred years later before a royal commission was appointed, in 1886, to investigate the conditions of the blind. This commission reported in 1889 and its report resulted in the passing of the Elementary Education Act in 1893. In 1914, as a result of a resolution in the House of Commons, a departmental committee was set up to investigate into the general welfare of the blind. In August, 1919, the Ministry of Health issued regulations and rules governing grants used out of public moneys to be distributed for the welfare of the blind. In 1920, the Blind Persons Act was passed by which blind persons in Great Britain received the Old Age Pension at the age of fifty years instead of at the age of seventy years. In March, 1927, 14,562 persons in England and Wales were in receipt of a blind pension. Provision was also made for the education and care of the blind children, and, where possible, they were trained for remunerative employment.

Mr. CASGRAIN: May I ask the hon. gentleman what document he is reading from?

Mr. COTNAM: I am reading from information which I have extracted from various sources in connection with the legislation for the blind that has been adopted in different parts of the world.

The English act also provides for the keeping of a register of the blind persons within each area. Voluntary institutions have also carried on work in Great Britain in aid of the blind since 1791.

Blind men and women throughout the ages have carved out for themselves important positions in the world. The story of the education and achievements of Laura Bridgman, who was deaf, dumb and blind, and of Helen Keller, and other deaf, blind mutes is known to almost everyone.

The world war gave a fresh impetus to the movement for the emancipation of the blind in every rank and walk of life, and it was largely instrumental in bringing to public attention the necessity for special recognition of those afflicted with blindness; and as the result of private and public efforts, education and training has been secured to enable blind people to succeed in literature, the arts, the church, law, politics, agriculture, and so forth.

Practically every civilized country in the world to-day recognizes the handicaps under which their blind population exists, and have endeavoured in every way possible to mitigate the tremendous handicaps under which these people carry on. Special legislation has been enacted in Scotland, France, Spain, Hungary, Italy, Switzerland, Finland, Czechoslovakia and the United States to aid their blind.

Mr. CASGRAIN: I rise again to a point of order, Mr. Speaker. I have listened to the hon. gentleman, and he says that he is quoting from legislation that has been passed in other parts of the world, but judging from what he has read it looks more so if he were reading his speech than quoting the legislation in force in other parts of the world.

Mr. COTNAM: I do not know just what the hon. member means. Would he make himself a little more clear?

Mr. CASGRAIN: The hon. gentleman has stated that he was quoting legislation obtaining in various parts of the world, but judging by the tenor of his remarks, it is rather a history he is giving of the situation instead of quoting what has been done in various parts of the world. I think he is reading his speech, which is contrary to the rules of the house.

Mr. COTNAM: The hon. gentleman sometimes reads his speeches. As a matter of fact, Mr. Speaker, this is purely a technical question and I wish to give the house accurate information on the subject. Perhaps the hon. gentleman does not care to get accurate information. Apparently he is like some others who sit in this house and who are not really interested in social legislation when a matter of this kind comes up. What I am trying to do is to show what has been done elsewhere, and to show also the conditions leading up to the position that Canada is in at the present time with respect to the care of her blind population.

Systems of reading for the blind have been invented, of which the best known is the Braille system, Louis Braille, himself, became blind when he was three years of age. He was born near Paris in 1809. To-day, his system has been adapted even to the Chinese language.

Much has been done towards the prevention of blindness. The necessity for this preventive work is readily grasped when one considers that probably twenty-five per cent to thirty-three and one-half per cent of the world's blindness is preventable.

It would be of interest to note, in passing, the enormous number of blind people that there are in the civilized world, of which we have a record.

Mr. CASGRAIN: I rise to a point of order. I have raised the point of order twice already. I would ask you, Mr. Speaker, if it is in order for a member to read his speech as the hon. member is reading just now.

Mr. COTNAM: The hon. gentleman should take a look at his own side of the house sometimes. As I say, this is purely a technical question, and I have here a great many figures that have been gathered from different sources, and I wish to have them placed accurately on the records of this house. The hon. member apparently is not so very careful about the accuracy of his statements sometimes. If I cared to make a speech in this house without notes I think I could make just as good a one as the hon. gentleman who is so ready to interrupt.

Mr. CASGRAIN: I have risen to a point of order, Mr. Speaker.

Mr. COTNAM: I object to the hon. gentleman interrupting. I do not think, Mr. Speaker, that the hon. gentleman has stated any point of order. It is just an opinion of his own that he is expressing, and nobody else is worrying about the matter at all.

Mr. CASGRAIN: I have raised the point of order, Mr. Speaker. Is it in order for the hon. gentleman to read his speech as he is doing?

The ACTING SPEAKER (Mr. Spotton): I take it that the hon. member is just using his notes, as is the custom.

Mr. COTNAM: The number of blind people of which we have a record is enormous. Perhaps the hon. member for Charlevoix-Saguenay (Mr. Casgrain) with his fine memory would be able to quote these figures offhand. In England and Wales there are 46,822 blind people; in Scotland, 6,939; Northern Ireland, 1,758; in India there is the enormous total of 479,637 blind people; in Burma, 25,000; Austria, 5,359. In China blindness is very prevalent but government statistics are not available to show the total number of blind people there. Czechoslovakia has 5,000 blind people; France, 29,000; Germany, 35,624; Japan, 100,000; Poland, 16,144, and the United States of America, 75,000.

The world's history furnishes the names of many blind people who became prominent in public and private affairs. John Stanley was born blind in 1713. He studied music and graduated as Music Bachelor at Oxford when sixteen years of age. He was a composer and received the degree of Doctor of Music, and was master of the King's band. Marie Paradis was born blind, but became famous as a pianist and vocalist. Doctor T. R. Armitage was born in 1824. He graduated in medicine and lost his sight at the age of thirty-six years. He afterwards devoted his life to the cause of the blind. Elizabeth Gilbert was born in 1826. She became blind at the age of three years, and devoted her whole life to the welfare of the blind. Sir Francis James Campbell, who was born in the state of Tennessee, became blind at the age of three years. He made many notable contributions to the cause of the blind. Henry Fawcett was accidentally blinded in his twenty-fifth year. He went to Cambridge university and became professor of political economy. He was elected as a member of the British House of Commons and later became Postmaster General of Great Britain. Doctor William Moon lost his sight in his early manhood. He made many contributions to the cause of the blind. Sir Arthur Pearson, the great newspaper magnate, who later became blind, left the stamp of his work for the blind throughout the British empire. He established the National Institute for the Blind in 1913-1914. No résumé of famous blind people would be complete without mention of Fielding and John Milton. The latter ranks with Shakespeare in the writing of poetry and prose. Two of his most outstanding productions that will endure as long as the Anglo-Saxon tongue is spoken were Paradise Lost and Paradise Regained. These works were written after he became blind. Many of the famous musicians of the world were blind, two of the greatest being Bach and Handel, who became blind towards the end of their careers.

Coming more particularly to the position of the blind in Canada, our blind population, according to the records of the bureau of statistics, number about 6,350 people, though some estimates place it as high as 8,000. The total number of blind persons over the age of twenty-one years in Canada is 5,053. Within this classification, we find: mental defectives, 219; Indians, 73; old age pensioners, 221; workmen's compensation board blind, 47; mothers' allowance pensioners, 42; blinded

soldiers, 102. These groups are already recipients of financial assistance. In the seventy year and over classification, according to provinces, we find as follows: Prince Edward Island, 21; Nova Scotia, 104; New Brunswick, 57; Quebec, 289; Ontario, 527; Manitoba, 166; Saskatchewan, 147; Alberta, 66; British Columbia, 98; the total number of males blind being 767; females, 698—making a grand total of 1,465. For pensions estimates in this classification, there should be deducted: Indians, old age pensioners, workmen's compensation board cases, mothers' allowance pensioners and mental defectives, totalling in all 314. In the fifty to sixty-nine years classification: Prince Edward Island, 17; Nova Scotia, 112; New Brunswick, 82; Quebec, 293; Ontario, 711; Manitoba, 166; Saskatchewan, 136; Alberta, 56; British Columbia, 122; making a total number of males blind, 1,064; females, 631—making a grand total of 1,695. For pensions estimates in this classification there should be deducted: Indians, workmen's compensation board cases, mothers' allowance pensioners, and blinded soldiers cases, totalling in all 130. In the forty to forty-nine years classification: Prince Edward Island, 5; Nova Scotia, 68; New Brunswick, 27; Quebec, 138; Ontario, 305; Manitoba, 64; Saskatchewan, 68; Alberta, 33; British Columbia, 61; making a total male population of blind 537, and females, 233—or a grand total of 770. For pensions estimates, deduct Indians, mental defectives, mothers' allowance pensioners and blinded soldiers, totalling in all 108. For purposes of record, I shall also furnish an estimate of the number of blind in the various provinces between the ages of twenty-one and thirty-nine: Prince Edward Island, 13; Nova Scotia, 120; New Brunswick, 69; Quebec, 240; Ontario, 399; Manitoba, 103; Saskatchewan, 84; Alberta, 44; British Columbia, 51, making a total male population of 703 and a total female population of 420, or a grand total of 1,123. I have not prepared a classification of those under the age of twenty-one years who are afflicted with blindness.

Canada did little for her civilian blind population until the world war attracted her attention to the needs of the blind. No actual statistical records had been attempted up to that time. In 1916, however, the Canadian National Institute for the Blind was organized. They obtained a federal charter in 1918, which had for its object the amelioration of the conditions of the blind and the prevention of blindness. Federal grants covering administrative expenses only were received, while private contributions and provincial government grants were received to cover the practical work from the Atlantic to the Pacific and including Newfoundland.

Through the National Council for Child Welfare, the national institute locates blind infants and watches their development. Treatment at birth to prevent ophthalmia neonatorum is compulsory. Sight-saving classes have been started in several centres. Technical training as well as educational instruction is provided in Canadian schools for the blind. Training and institutional instruction is given to those who lose their sight between the ages of twenty-one and fifty years.

The Canadian National Institute for the Blind has for its patron His Excellency the Governor General of Canada, and many of the more prominent people in the public and social life of this country are associated in its activities from coast to coast. The work done on behalf of our blind by these organizations cannot be overestimated. The depression has taught us at least one useful lesson, that after all man is his brother's keeper.

In October, 1933, a united memorial was presented to the right honourable the Prime Minister of Canada by various organizations for aid and assistance to the blind. In that memorial reference was made to the fact that the underlying reasons which lead to the provision of pensions for the blind in Great Britain, Australia, New Zealand, and elsewhere were precisely the same as those that obtained in Canada. It was felt that voluntary contributions had steadily decreased during the period of the depression, with the result that the whole position of the blind population became accentuated. It was also pointed out that the provisions for general and unemployment relief funds deal only with cases from a destitution standpoint, and greater assistance is required to relieve the destitution of the blind than of persons with their sight; also, the whole problem is not a transient one, resulting from the present economic conditions, but is one of destitution arising from permanent unemployability. Voluntary agents are no longer able to meet the needs of the permanently unemployable adult blind, as sufficient private funds cannot be secured. Under the circumstances, it was pointed out to the government that the only adequate solution was the provision of a state pension or allowance. According to dispatches which appeared in the Toronto Mail and Empire on Saturday, June 30, 1934, the matter had been discussed before the dominion-provincial conference, having been introduced by the Prime Minister of Canada on the request of the National Institute for the Blind and the Canadian Federation for the

Blind. The conference itself was held in camera, and it was generally understood that Hon. Mr. Price, then Attorney-General of Ontario, was ready to implement any move that might be taken with a view to further aiding the blind pensioners. It was further stated that the whole matter would be reviewed with the improvement of the general financial situation.

We have in Canada many Canadians who have achieved great distinction in the various walks of life. I shall mention merely two, although there are many, many others. The late Trooper Lorne Malloy, of Prescott, who was blinded during the South African war, later returned to this country, graduating with high honours in arts and law from Queens university. Later he took the law course at Osgoode Hall, Toronto, and practised law in the county of Dundas. Mr. Phillip E. Layton, president of the Montreal Association for the Blind, is himself blind, and to-day he is recognized as one of Canada's greatest Canadians. Through his work and philanthropy he has done much to ameliorate the conditions of our blind.

I feel that the Prime Minister and all the members in all parts of the house are in sympathy with the subject matter of this resolution, and, in my humble opinion, the time has come when as a Christian nation we should give this deserving class of our citizens the benefit of state assistance. The courage and fortitude of those afflicted with blindness has been an amazing revelation to all those who from time to time come into contact with individual cases of blindness.

Our total blind population, if we place it at the maximum figure, is 8,000. Forty per cent of this total, or 3,200, are between the ages of forty and seventy years. If we deduct from this number for pension purposes, blind soldiers, people of independent means, employed blind and workmen's compensation board cases, mothers' allowance pensioners, Indians and mental defectives, all otherwise provided for, totalling 974, this leaves a pensionable balance of 2,026. An estimated pension of $240 per annum would cost this country—

Mr. CASGRAIN: I rise to a point of order. Mr. Speaker, before you took the chair a few minutes ago I had risen twice to a point of order to the effect that the hon. member who is just speaking was reading from a written, previously prepared speech. I was not sustained in the point of order that I raised. I would quote Beauchesne's Parliamentary Rules and Forms, 1927 edition, at page 95, standing order number 41. Paragraph 293 reads:

[Mr. Cotnam.]

Besides the prohibitions contained in this standing order, it has been sanctioned by usage both in England and in Canada, that a member, while speaking must not—

And on the next page among other prohibitions it says:

—read from a written, previously prepared speech.

I have observed the hon. gentleman in making his address has most of the time up to the present been using sheets of paper prepared previously to make his speech. I should like to have your ruling on my point of order.

Mr. SPEAKER: There cannot be any question as to the rule, which is well known and recognized by all hon. members. The hon. member who has just raised the point of order knows I was not in the house at the beginning of the address. I note the hon. member who has the floor has quoted a considerable number of figures and has been following his notes very closely. I call his attention to the rule which has been referred to by the hon. member who raises the point of order.

Mr. COTNAM: I bow to your ruling, sir, but may I say that as long as I have been in this house that rule has been honoured more in the breach than in the observance. From ninety to ninety-five per cent of the members read copiously from their notes on every occasion, and as this subject was a purely technical matter, non-controversial, dealing with something in regard to which I thought all the facts should be placed in their proper sequence on Hansard, I felt that I should be very careful in the facts and figures I gave to the house. Some hon. members opposite may not be as much concerned as I am about action being taken in this matter, and if so I am sorry for them; but to me it was a very serious matter to bring this resolution to the attention of the house and I felt that every possible consideration should be given to it in order that the facts should be accurately stated. I am sure the blind people of this country will appreciate the hon. gentleman's efforts on their behalf.

I feel that the passing of this resolution would help to bring a ray of sunshine into the lives of thousands of persons in this country who are deprived of their sight, many of whom have never been able to look upon the faces of their friends and families; who have never been privileged to see the beauty of the flowers or the babbling brooks or the majestic mountain peaks; who have never been able to see the marvels of a sunshine,

or the lights and shades of a sunset, or the poetry of the trees, or the grandeur of the sea and sky, and indeed, in many cases have been living in abject want and poverty.

Mr. MacLEAN: The hon. gentleman was just giving the cost. If that was put on record, it would be a good thing.

Mr. COTNAM: Did I not complete that?

Mr. MacLEAN: No.

Mr. COTNAM: An estimated pension of $240 per annum would cost this country approximately $534,240 per annum, and from this amount certain deductions might be made by reason of partial earnings and family responsibility.

I cannot close this speech better than by quoting that immortal sonnet by Milton, On His Blindness:

When I consider how my light is spent,
Ere half my days, in this dark world and wide,
And that one talent, which is death to hide,
Lodg'd with me useless, though my soul more bent
To serve therewith my Maker, and present
My true account, lest he, returning, chide;
"Doth God exact day-labour, light denied?"
I fondly ask: But Patience, to prevent
That murmur, soon replies, "God doth not need
Either man's work, or his own gifts; who best
Bear his mild yoke, they serve him best: his state
Is kingly; thousands at his bidding speed,
And post o'er land and ocean without rest;
They also serve who only stand and wait."

I commend the resolution to the favourable consideration of the house.

Mr. E. R. E. CHEVRIER (Ottawa): Mr. Speaker, it is within a few minutes of six o'clock, therefore I shall be very brief. With what the hon. gentleman has said I am in full accord. I have had occasion lately to go rather deeply into this matter of the blind, and I sincerely hope that this resolution will carry and will subsequently be given effect to by an amendment to the Old Age Pensions Act. I do not think one needs to speak at any length to convince this house that something ought to be done for the relief of people who suffer this great affliction.

Mr. WILLIAM IRVINE (Wetaskiwin): Mr. Speaker, I desire to express my appreciation to the hon. member (Mr. Cotnam) who brought this resolution before the house. Seeing that the time is almost up I shall not delay it going to a vote, and I hope it will be carried.

Hon. W. D. EULER (Waterloo): Mr. Speaker, I have no desire to take up the time of the house and so prevent this resolution coming to a vote if it be necessary. Without having made any preparation whatsoever let me just say that I would like to support the hon. member who has introduced this resolution. It seems to me it goes without saying that anyone in this house or outside feels sympathy for people who are afflicted with blindness. The sense of sight is after all the primary one that human beings possess. Its absence certainly takes away most of the enjoyments that are available to human beings. Not only that but those who are deprived of the sense of sight are almost without exception, in spite of the examples given by the hon. member, under an extreme handicap in regard to earning their living.

I have every sympathy with the object of the resolution, and would only say that while I heard the statement that something like half a million dollars would be required as contribution from the treasury to pay pensions to blind people over forty years of age, I should think those who are less than that age are almost as much entitled to some pension as those over forty. I would like to ask the hon. member why he confines it to people over forty.

Mr. COTNAM: That age was only set in a tentative way. It was felt that if the age should be lowered the increase in the cost of such legislation would be great, and also it was thought in some quarters that were a pension paid to the blind during the earlier years—

Mr. CHEVRIER: May I interrupt? There is no question,—

Mr. SPEAKER: Yes, this is quite out of order.

Mr. COTNAM: I was only replying to the question of the hon. gentleman.

Mr. MANION: With the consent of the house.

Mr. COTNAM: With the consent of the house; there seemed to be a feeling in many quarters that if pensions for blind people under forty years of age were adopted it might tend to destroy their initiative.

Mr. P. F. CASGRAIN (Charlevoix-Saguenay): Mr. Speaker, I would like to say a few words on this resolution, with which I am quite in accord. If it should come to a vote I would vote in favour of it. I was just going to put the same question as put by the hon. member for Waterloo (Mr. Euler) re-

garding the age limit. If I raised some objections in the course of the speech of the hon. gentleman it was not with the intention of delaying the proceedings or delaying the passing of this resolution. I did it because I thought it was my duty as a member to do so.

Mr. HEAPS: Mr. Speaker—

Mr. RINFRET: Mr. Speaker—

Mr. SPEAKER: Apparently there are several hon. members who wish to speak on the motion, so we might as well call it six o'clock.

Hon. FERNAND RINFRET (St. James): I can say what I have to say in one minute. There is no time left to amplify my endorsement of this motion, but I wish to state that as mayor of Montreal I had many delegations coming to my office pressing for a measure of this kind. I have studied the matter and am quite willing to endorse the resolution. But I am not sure whether it would not be better to have separate legislation rather than link it with old age pensions. I take the motion to mean that provision similar to the old age pensions may be adopted for the blind. With that reservation I am in favour of the motion.

ADJOURNMENT—DECORUM

Mr. SPEAKER: With the indulgence of the house, there is a matter to which I would like to allude for a moment. At times of adjournment there has been a certain amount of confusion. I think we can avoid that if we observe paragraph 5 of standing order 12, which states that:

> When the house adjourns the members shall keep their seats until Mr. Speaker has left the chair.

As a general rule at the close of the sitting the leader of the government announces the program for the next day, if he fails to do so the leader of the opposition generally endeavours to get that information by question and answer, and at that time there is usually a certain amount of confusion. I know that all hon. members are anxious to hear what the leader of the government has to say. Therefore I suggest that we bear this rule in mind at adjournment time so that the house may adjourn without confusion and with dignity and decorum.

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

Thursday, January 31, 1935

The house met at three o'clock.

QUESTIONS

(Questions answered orally are indicated by an asterisk).

DURUM WHEAT IN ELEVATORS

Mr. COOTE:

1. What was the amount of durum wheat of each grade on hand in all private terminal elevators in western inspection division at the beginning of the crop year 1933-34?
2. What was the amount of each grade received into said elevators during this crop year?
3. What amount of each grade was shipped out during said crop year?
4. What amount of each grade was shown to be in store at end of crop year?

Mr. HANSON (York-Sunbury): The information asked for regarding durum wheat by grades in private terminal elevators is not available. The official weighups of private terminals deal with the first four statutory grades of wheat only, and the receipts and shipments of durum grades are only partly available.

IRISH FREE STATE TRADE COMMISSIONER

Mr. MULOCK:

1. Is Canada represented by a trade commissioner to the Irish Free State?
2. What has been the extent of the Canadian trade with the Irish Free State during the years 1931 to 1934, inclusive?

Mr. HANSON (York-Sunbury):

1. Yes.

2. Canada's imports from and exports to the Irish Free State, calendar years 1931 to 1934, were:—

Calendar Years	Imports from Irish Free State	Exports to Irish Free State	
		Canadian Produce	Foreign Produce
	$	$	$
1931	42,438	2,639,565	738
1932	39,721	2,578,931	654
1933	26,824	3,422,074	5,903
1934	29,547	3,820,762	170

SOUTH CALGARY, ALTA., BARRACKS

Mr. STEWART (Edmonton):

1. Who are the contractors for building the new military barracks in South Calgary, Alberta, and at what price was the contract awarded?

2. Were tenders publicly advertised in the newspapers and elsewhere?

3. If so, what are the names of the persons who tendered and the amounts of their tenders?

Mr. STIRLING:

1. No military barracks are being constructed in South Calgary. The new barracks now under construction are situated in West Calgary; but no general contract has been let, the work being carried out in separate units.

2 and 3. Answered by No. 1.

WEST CALGARY, ALTA., BARRACKS

Mr. STEWART (Edmonton):

1. Were tenders called for the first unit of the barracks (and or) mess room on 40th Avenue and 24th Street, West Calgary, Alberta, in 1934?

2. Was this work publicly advertised in the newspapers and elsewhere?

3. If not, were certain persons asked to submit prices?

4. What are the names of the persons who tendered on such work and the amounts of their tenders?

5. To whom was said contract awarded?

Mr. STIRLING:

1. Yes.

2. No.

3. Yes.

4. For barrack building block No. 2:

	Tender "A" For the whole of the work including a forced hot-water heating system as shown on the plans and described in the specifications:	Tender "B" For the whole of the work but to include a steam heating system as described in the specifications:
Bennett & White Construction Co. Ltd., Calgary	$156,352	$155,559
	If Cochrane hard blue sandstone used in lieu of artificial stone add $2,130. If all-Canadian steel used also add $5,857.	
Buchan Construction Co., Calgary	$168,000	$167,176
	If Cochrane standstone used in lieu of artificial stone add $1,792. If zonolite used instead of mineral wool insulation deduct $3,476. If single phase motor used add $420. If all-Canadian structural steel used add $2,660.	
Forster Construction Co., Calgary	$175,000	$174,209
Hughes & Hurst, Calgary, Alta	$179,921	$179,128
	(Either Dunham or Webster systems)	
	If Cochrane stone used instead of artificial stone add $1,676. If rolled sections are to be used as per specifications deduct $2,490.	
McDonald Bros., Contractors, Calgary, Alta	$174,457	$173,244
	If blue standstone used prices are: $177,407 $176,194	
	If structural steel allowed furnishing built-up sections add $2,490, plus cost of winter heating.	
J. A. Tweddle Ltd	$174,654	$173,000
	If Cochrane stone used in lieu of artificial stone add $1,276.	
Watson & Abercrombie, Calgary	$182,347	$180,721
	For Cochrane stone add $1,842. If 2" zonolite substituted for 2" rock wool deduct $3,000. If all-Canadian built-up sections used add $2,490.	

For the mess building—

Forster Construction Co. Ltd..	$147,800 $147,250—if copper pipe used instead of brass pipe in plumbing and heating.
	These prices are based on the use of all-Canadian sections in structural steel.
Buchan Construction Co..	$150,274 $150,619—if all-Canadian sections are used in structural steel.
J. A. Tweddle Limited..	$152,650
Hughes & Hurst..	$156,900 $156,300—if copper pipe used instead of brass pipe in plumbing and heating.
Watson & Abercrombie Ltd..	$157,257 $157,602—if all-Canadian sections are used in structural steel. $156,657—if copper pipe used instead of brass pipe in plumbing and heating.
McDonald Bros..	$160,722 $161,067—if all-Canadian sections are used in structural steel.

5. For the barracks building block No. 2:—Bennett & White Construction Co. Ltd., Calgary, Alta. For the mess building:—Forster Construction Co. Ltd., Calgary, Alta.

QUESTION PASSED AS ORDER FOR RETURN

UNEMPLOYMENT RELIEF—NEW BRUNSWICK

Mr. MICHAUD:

1. To what extent has the dominion agreed to contribute towards unemployment relief in the province of New Brunswick from June 1, 1934, to March 31, 1935?

2. What sums were paid by the dominion to the province of New Brunswick between June 1, and December 31, 1934, for the relief of unemployment in that province, and under what heads?

Mr. GORDON: Return tabled herewith.

PRIVILEGE—Mr. MacNICOL

On the orders of the day:

Mr. J. R. MacNICOL (Toronto Northwest): Mr. Speaker, before the orders of the day are called I should like to refer to some headings appearing in last night's issue of the Toronto Daily Star in reference to remarks I made yesterday. The heading of the article reads: "Unemployment ended in Russia MacNicol states." That heading is altogether in error; I made no such statement. Then it continues, "Toronto Conservative says Soviet leads world in national planning." That is an error; I made no such statement. Then, "Mr. MacNicol said Russia is the only country in the world which has been able to abolish unemployment." I made no such statement.

Each and every one of those statements appearing in last night's Toronto Daily Star is absolutely and totally in error.

PRIVILEGE—Mr. MACKENZIE KING

On the orders of the day:

Right Hon. W. L. MACKENZIE KING (Leader of the Opposition): Mr. Speaker, yesterday I drew the attention of your honour and that of the Prime Minister to what I regarded as an evasion of the privileges of this house in the publication in the press of almost the entire text of the bill on social and unemployment insurance before hon. members had been able to receive copies of the bill. Up to the present time the members of the house have not received copies.

Mr. BENNETT: It was distributed this morning.

Mr. LAPOINTE: We have it now.

Mr. MACKENZIE KING: They are not on the files of members in the house, as yet.

Mr. BENNETT: I think so.

Mr. MACKENZIE KING: At least, there is not one on my file for I have just looked.

However, the point I wish to draw to the Prime Minister's attention is this. I am informed on what I believe to be reliable authority that the material that appeared in the press was given to the Canadian Press as long ago as Friday, January 25, that the Canadian Press was given the material at that time and that it was sent at that time throughout Canada. I would ask the Prime Minister if he has inquired into the matter, as he said he would yesterday, and if he can advise the house if that is a correct statement or not. The giving out of any part of a bill and not at the same time giving the public the whole of it is to my mind improper; but what is even more improper is giving anything to the press which is not given in equal measure to hon. members of this house.

Right Hon. R. B. BENNETT (Prime Minister): I think perhaps, Mr. Speaker, if the right hon. gentleman will carry his mind back to the time when he was Prime Minister—

Mr. MACKENZIE KING: That does not answer the question.

Mr. BENNETT: It will be answered in a moment. I am not re-writing Hansard at the moment. I am answering a question as I would put it, not as the right hon. gentleman would have it.

I point out, Mr. Speaker, that when the right hon. gentleman was Prime Minister the course followed in this house and the course that has grown up since it was a house at all especially in the case of the budget speeches, by all ministers of finance was this. I have investigated the matter with some care and I find that the budget speech has been and is mimeographed and sent to various parts of the country and remains there to be released on the day the budget speech is delivered in this house.

I am informed that when a bill is read a first time the press have a right to look at it and to take from it such extracts as they think desirable by applying to the clerk's office. Whether that is a custom that has grown up in recent years or not I have not been able to ascertain. But I have been able to consult the older members of the house, and I find that that has been the course followed.

With respect to this measure on unemployment insurance, one of my secretaries prepared a précis of the bill and delivered it I believe to the Canadian Press with the agreement that it was not to be used until such time as the bill had been read a first time, when the information could be used if so desired; and in accordance with that arrangement, after the bill had been read the first time, that information was used. That is as far as I have been able to ascertain. I believe it is the correct and proper course, and there is nothing about it different from the course pursued in days past. It is quite competent for any member to ascertain from the table what the provisions of the bill are. Of course, that cannot be done by all at the same time. So far as the newspapers are concerned, it was dealt with in the way I have indicated, and if there is anything improper about it I cannot see what it is. That has been the custom, and if it is desired that it should not be done I see no way by which it could be prevented, because by applying to the table the information might be obtained after the house had risen. That is the reason, Mr. Speaker, why the précis was prepared as I have indicated, and given to the press for the public.

Mr. MACKENZIE KING: Might I say to the Prime Minister that if his secretary was able to give a précis of this bill to the press the Prime Minister might have at least directed his secretary to extend the same courtesy to the members of parliament.

Mr. BENNETT: That observation, Mr. Speaker, hardly calls for a reply. And just how that could be done, in view of the fact that I offered to hand the bill in the form in which it stood to the right hon. gentleman and the other leaders, and the right hon. gentleman said that he did not desire to have it—

Mr. MACKENZIE KING: I said, not before everyone had it. I asked no preference.

Mr. BENNETT: It has never been the custom for the Minister of Finance, for instance, to send a copy of his budget speech under seal to every member of the house. A copy of it is delivered to the former Minister of Finance sometimes and to the leader of the opposition under seal, and when the minister commences his speech, a copy of it is usually sent across the floor of the house in order that it may be followed by whoever is leading opposite, or to the former Minister of Finance in some cases. There has been no departure here from what has been regarded as the established custom of this house; and regard for the privileges of this house I think will be found to be as much exercised by this administration as by any.

I do not think the right hon. gentleman should complain with respect to delays about anything, in view of what transpired by which we were deprived of the use of Hansard until after one o'clock and nearly two o'clock because he had to rearrange his speech on the night on which he delivered it. This deprived us of the use of Hansard, which is against the privileges of parliament, so that we could not deal with the points he had made in his speech because we had not the opportunity to read it. If he thought it desirable to keep Hansard and the employees on duty during the whole night, I do not think that was complying with what he regards as the high privileges of parliament.

TIM BUCK'S OTTAWA MEETING

On the orders of the day:

Mr. J. S. WOODSWORTH (Winnipeg North Centre): May I ask the Prime Minister whether he or the government have exercised pressure on the owners of halls in this city to prevent Mr. Tim Buck from speaking here?

Right Hon. R. B. BENNETT (Prime Minister): As far as I know, Mr. Speaker, the answer would be in the negative to the question that is put.

UNEMPLOYMENT INSURANCE

On the orders of the day:

Hon. ERNEST LAPOINTE (Quebec East): May I ask the Prime Minister or the Minister of Labour whether there have been conventions or draft conventions adopted at any international labour conference concerning unemployment insurance, and if so, if they can be laid on the table of the house before the second reading of the bill is taken up?

Right Hon. R. B. BENNETT (Prime Minister): The former Minister of Justice (Mr. Lapointe) is wel aware from his position as president of the League of Nations Society of Canada of just what has taken place in connection with these conventions. In 1934 a convention was arrived at which deals with subjects other than unemployment insurance. Had it dealt with unemployment insurance only it would, as the hon. gentleman desires, have been placed on the table of the house. During the discussion of the second reading of the bill reference will be made to that fact. I did not propose to submit the convention because of the fact that it dealt with so many other matters for ratification, but such a convention has been arrived at by the League of Nations.

[Mr. Bennett.]

Mr. LAPOINTE: There was no convention arrived at by any previous conference?

Mr. BENNETT: Oh yes, there was a convention which dealt with various phases of it but not dealing with it alone in the manner in which it was dealt with in 1934. Other matters were also dealt with in that same convention. Doubtless the hon. member has read the 1934 convention which was arrived at after much discussion, and which deals with other matters as well, and which in its terms could not be applied to this country.

INTERNATIONAL LABOUR OFFICE

On the orders of the day:

Hon. ERNEST LAPOINTE (Quebec East): May I ask the Minister of Labour (Mr. Gordon) whether he can give any information to the house about the permanent seat which Canada has occupied heretofore on the governing body of the international labour office, and if matters have reached the stage where he can lay on the table the correspondence which has taken place.

Hon. W. A. GORDON (Minister of Labour): Mr. Speaker, instructions have passed between the government and the government's representative at Geneva with respect to Canada's position. I shall be very glad to look into the question and to lay any communications that are available on the table of the house to-morrow.

BRITISH IMPORTS OF RUSSIAN TIMBER

On the orders of the day:

Mr. WILFRED HANBURY (Vancouver-Burrard): I would like to direct a question to the Prime Minister based upon items appearing in the press to the effect that agreements are being entered into by British importers for a quantity of Russian lumber to go into the old country, and it is stated that the well-known fall clause is to be a part of the contemplated agreements. Can the Prime Minister give any information that would clarify the situation at the present time?

Right Hon. R. B. BENNETT (Prime Minister): Mr. Speaker, the question which the hon. gentleman has asked is not difficult to answer. Timber Distributors, a British firm, the members of which have been indicated previously in discussions of this house, has entered into an agreement at Paris with the Soviet Union of Russia for a supply of timber to Great Britain.

The terms of the contract are not known to the government, but during all the period of time that has elapsed, when a new contract between Timber Distributors and the Russian

authorities has been in contemplation the Canadian government has been in close touch with the situation and has urged upon the authorities the necessity of such a clause being eliminated from any contract that might be made.

I think there is much misapprehension with respect to some facts in connection with these contracts. These contracts do not arise out of the Ottawa agreement, but in the Ottawa agreement there was provision that any contracts that might be made between British importers and the Soviet Union that prejudicially affected the preference granted Canadian or other empire products in the British market would be dealt with in the manner indicated in that clause.

Last year representations were made to the government of Great Britain in consequence of a proposed contract between Timber Distributors and the Russian authorities for the purchase of quantities of timber. The quantity was limited by the quota and the fall clause, so called, disappeared. The new contract has not yet reached the point where it is possible to make representations to the government, but they have been made in the meantime, anticipating the possibility of the contract, in the strongest possible terms.

The task has become more difficult for reasons which I need not refer to at this time other than to say that an effort has been made, apparently, to convey the impression that Canadians attach little value to these provisions or to the preference itself, and that has somewhat increased the difficulty of dealing with it from the government standpoint. But every possible step is being taken by representations made by the high commissioner, at the instance of this government, to the British government. When the matter reaches the president of the board of trade more formal representations will be made.

It has been suggested by one of my colleagues that the provision of the clause in the Ottawa agreement dealing with contracts that prejudicially affected the operation of the preference was applicable to all countries and not to any one country, as my statement might possibly imply.

Hon. CHARLES STEWART (West Edmonton): When the Prime Minister speaks of the government not having information with respect to the proposed import of Russian timber, or at any rate with respect to an arrangement, does he mean the British government or the Canadian government?

Mr. BENNETT: Neither the British nor the Canadian government is concerned in the first instance with a contract, made by a private company known as Timber Distributors, with the Russian authorities. After the contract is made, if it is believed that that contract contravenes in any way the provisions of the section of the Ottawa agreement dealing with the matter to which I have referred, it is competent for the Canadian government to make representations to the British government, which has taken power from parliament to deal with the matter, and then action is taken in accordance with the provisions of the British statute.

RAILWAY COMMISSION

CHAIRMANSHIP OF BOARD—APPLICATIONS FOR ARBITRAL TRIBUNALS

On the orders of the day:

Hon. R. J. MANION (Minister of Railways and Canals): The hon. member for North Waterloo (Mr. Euler) a few days ago asked a question in regard to the appointment of a chairman of the Board of Railway Commissioners, and I said I would make a statement. I will now do so. Under present railway conditions and with the decrease in cases submitted to the railway commission, it is the opinion of the government that the railway commission is overmanned. There has been no request, officially or otherwise, for an arbitral tribunal, the setting up of which would require a chairman. When any such request is made or any indication given that an arbitral tribunal may be desired by either railway, the government will appoint immediately a chairman of the railway commission.

Hon. W. D. EULER (North Waterloo): Does that imply that no chairman will be appointed unless application is made?

Mr. MANION: Not necessarily, but we feel at the present time that there is no urgency about the matter.

PENSIONS FOR THE BLIND

PROPOSAL TO EXTEND BENEFITS OF OLD AGE PENSIONS ACT TO BLIND PEOPLE OVER FORTY YEARS OF AGE.

The house resumed from Wednesday, January 30, consideration of the motion of Mr. Cotnam:

That, in the opinion of this house, the provisions of the Old Age Pensions Act should apply to blind people over forty years of age.

Mr. ANGUS MacINNIS (Vancouver South): I wish to say a few words in support of this resolution, because I think the hon. member for North Renfrew (Mr. Cotnam) is to be commended for bringing the matter to the attention of the house. For quite a number of years now the various organizations that have made the welfare of the blind a part of their work have been advocating adequate provision in some way for the blind. Personally I should like to see adequate provision made not only for those blind who are over forty years of age but even for those who have not reached that age, if it were necessary. I am not finding fault with the mover of the resolution for putting it in the form in which he did; in fact, I believe it was necessary to put it in that form in order to get it a hearing in the house. I simply wish to add my word of approval.

Mr. L. W. JOHNSTONE (Cape Breton-North-Victoria): I most heartily endorse this resolution and I think the people throughout Canada will do the same. I know quite well that not only in this house but throughout the dominion it will receive sympathetic consideration. In my long professional career I have come in contact on many occasions with blind people both young and old, and I have been afflicted nearer home than perhaps most hon. gentlemen have been. One thing has always struck me in regard to the blind, something that I have observed more among them than among those suffering from any other affliction, and that is their great earnestness and their willingness to work. We see the blind wandering along the streets, stick in hand, with no other help than their other senses, which no doubt do become more acute, finding their way about, and taking up lessons in music and in other occupations. They are always willing to help themselves. Since its introduction Braille has been of great benefit to the blind. I know of many instances where they both read and write in Braille, and now there are magazines in that system, and they have the benefit of the New Testament. Not only do they read, but they write to one another. I do not wish to take up the time of the house, but I do hope that both the house and the government will fully endorse the resolution and that we may be able in consequence to help the blind, each in his own community.

Hon. CHARLES STEWART (West Edmonton): I wish to go on record as heartily in support of this resolution. My association with the blind goes back a considerable number of years to the days when I was in the provincial government of Alberta. A school was established in Manitoba for the education of blind persons, and from that time on no one who has come in contact with the blind there can have helped being struck by the fact that something should be done in a public way for people so afflicted. Of course, we must not lose sight of the fact that there are a great many blind people who make a success of their vocations. I have in mind one or two who have succeeded. I know of a young man who became blind during his university career, and he is making a splendid success to-day in the field of insurance, as a solicitor, so that he is able to support himself and his family. In the main however this affliction is a severe handicap to numbers of people throughout the country. No later than last session I was one of those in the House of Commons who pleaded for more consideration by way of grants to the associations that were looking after the interests of blind persons.

I have nothing to add to what was in my opinion very ably put yesterday by the mover of the resolution, except to say that I wish to go on record as being heartily in accord with the idea of parliament taking this matter up and doing something tangible for those unfortunates in our country who are stricken with blindness.

Mr. R. S. WHITE (Mount Royal): I desire merely to record my approval of the resolution before the house. I can imagine no resolution calling for legislation that will appeal to this house in a greater degree than the one moved by the hon. member for North Renfrew (Mr. Cotnam).

The point has been made by the hon. member for West Edmonton (Mr. Stewart) that some persons afflicted with blindness have made a success in life so far as monetary independence is concerned. That of course is true. An outstanding case is probably that of Sir Charles Lindsay who recently received knighthood for his benevolent and charitable work and who has been able by his industry to acquire very substantial wealth. But the proposal of the resolution, as I understand it, is to extend the Old Age Pensions Act to those afflicted with blindness so that they may come under its provisions at the age of forty years. Blind persons who are deprived of sight to view the glories of creation appeal in a special degree to our sympathy and support, but over and above what charity and institutions have done to alleviate the afflictions of those who have never seen the light of day or the glory of the sun, over and above those

who are aided in this way there is still a large class of blind people who require assistance from the state and no class of people can more strongly or reasonably look to the state for aid than can the blind.

Mr. S. C. ROBINSON (West Essex): I would like to add just a few words to what has been said respecting the resolution of the hon. member for North Renfrew (Mr. Cotnam). In the border cities we have a considerable number of blind and every year a delegation waits on me asking me to use my endeavours to assist them by way of a pension as outlined in the hon. member's resolution.

While I am on my feet I wish to say that since the war the Lion's Club, one of the service clubs of Windsor, has been doing yeoman work for the blind, that is in establishing them in vocations that they can carry on and also assisting them financially. If it were not for that organization, the blind would be in a much worse position than they are in to-day. I believe these matters should be drawn to the attention of the house when service clubs are doing such good work on behalf of the country.

Mr. A. A. HEAPS (North Winnipeg): I am very glad to observe the unanimity with which the house has received the resolution of the hon. member for North Renfrew (Mr. Cotnam). Under the circumstances it will be extremely difficult for the government not to afford some relief to the blind in accordance with the suggestions contained in the resolution now before the house. I understand during this session the government will bring down amendments to the Old Age Pensions Act and my own suggestion would be that the government should incorporate in that act the essence of the resolution under discussion. The blind themselves have for a number of years agitated for a pension at the age of probably twenty-five years and over and I sincerely hope the government will follow the lead given in other countries by other governments and give this unfortunate section of our community that pension which we all agree they ought to have. The expense involved is very small in comparison with the results achieved.

Mr. J. K. BLAIR (North Wellington): The resolution before the house needs very little explanation. I am sure every hon. member will readily recognize the necessity for a movement of this nature. These blind people in many instances are protected and provided for by their parents but when they arrive at the age of forty, ofttimes they are destitute and a consideration of this sort would be a kindly gesture on behalf of those who have been bereft of their sight.

Mr. F. W. GERSHAW (Medicine Hat): I wish to compliment the hon. member for North Renfrew (Mr. Cotnam) upon bringing up this resolution. He made a very valuable contribution to the literature of the subject in his introduction of it. Blindness in the great majority of cases comes on through no fault of the individual so afflicted. It may come on as a result of accident, nerve disease or as a consequence of infection during a very early age. There are special reasons why blind people should receive help from the state. Probably the first one is that they are unable to compete in the labour market and make a living for themselves; second, by the very nature of their affliction they require extra help, attendance and services and we all know the friends and relatives are often unable to assume the burden of caring for those blind people. I therefore will give the resolution my hearty support.

Mr. G. D. STANLEY (East Calgary): A few minutes ago I received the following telegram which I shall read:

> Local committee of I.O.D.E., Lions Club and representative citizens here respectfully seek your earnest support of resolution favouring application of Old Age Pensions Act to blind persons attaining forty years. We even favour a lower age but will gratefully accept what your government deems opportune.
>
> A. J. Bartle.

I shall not delay the consideration of the resolution which has now been discussed at some length, but I shall give my wholehearted support to the object of it.

Mr. F. R. MacMILLAN (Saskatoon): A few months ago I received from an organization in my city a telegram along similar lines to that which the hon. member for East Calgary (Mr. Stanley) has just read. I want to lend my support to the resolution moved by the hon. member for North Renfrew (Mr. Cotnam). I merely intend to congratulate the hon. member upon bringing this matter before the house. I think it is our duty to give the question consideration and support.

Mr. F. W. TURNBULL (Regina): Mr. Speaker, I rise merely to put on record my approval of the principle of this resolution. Having gone that far, my zeal for social reform, which is only equalled by that of my hon. friends the new converts across the way, will not permit me to detain the house any longer.

Hon. W. A. GORDON (Minister of Labour): Mr. Speaker, I listened with interest to the observations made by the hon. member for North Renfrew (Mr. Cotnam) yesterday on this resolution. No one could fail to be impressed by the picture he spread upon the record with respect to those who suffer the great affliction of blindness. There are, of course, and have been for centuries, societies and individuals that have carried on beneficent activities for the relief of those who suffer from blindness. In this country votes of money have been made by the dominion government, and I believe by perhaps all the provincial governments, towards the assistance of such societies and others engaged in helping those who suffer from this great affliction. The hon. member for North Renfrew has for many years given a great deal of thought and study to the subject matter of this resolution.

The resolution suggests that the Old Age Pensions Act should be amended to apply to blind people over forty years of age. As the mover explained, the age of forty years was adopted perhaps arbitrarily, but he suggested, and I think his reasoning was sound, that if an earlier age were fixed it might in some cases act as a deterrent to blind people taking advantage of such opportunities as are theirs to become self-supporting. That might occur in some cases, but I doubt whether it would in the majority of cases. Personally I do not think an amendment to the Old Age Pensions Act would be the most satisfactory method of dealing with a question of this character. The Old Age Pensions Act is legislation of which some provinces avail themselves, others do not. If this resolution results in legislation it might well take the form of a special act, dissociated from old age pensions.

The question of cost has always to be considered in matters of this kind, so I think that feature should be made manifest in order that the house may thoroughly understand what they are embarking upon if legislation is introduced following this resolution. I am sure every member of this chamber agrees with me that we should do everything humanly possible to alleviate the lot of those affected with blindness. This house has been in years past and is presently engaged in many researches in order to help those who by reason of this misfortune cannot help themselves. If there is a class to whom we might well devote some time and some money it is that class to which this resolution relates.

I think the only committee that could deal with the matter would be the standing committee on industrial and international relations—and I would ask the hon. gentleman who introduced the resolution to move that it be referred to that committee in order that they may take it into consideration from the angles I have suggested and others, because it is an important matter. I believe the purpose would best be served in that way. If the hon. member does not care to make the motion I would undertake to move that the resolution be referred to the standing committee on industrial relations.

Hon. CHARLES MARCIL (Bonaventure): Before the hon. member closes I would like to say a word in support of this motion. I think the object of it is good, but it should not be confined to the class entitled to claim old age pensions. In the province from which I come, in which I am more familiar with the existing state of affairs, we have some very deserving institutes, the Montreal Institute for the Blind, the Nazareth Institute and other institutes that are also deserving of support. They have been looking after the blind for many years, or generations. I do not think they receive much assistance from the federal treasury, although they receive a certain amount from the provincial government. When the committee take up this question I suggest that it should not be limited to one class but that they look into the matter thoroughly, because if there is a class of people entitled to sympathy and wholehearted support it is certainly those who are deprived of their sight.

Mr. COTNAM: I do not recall, since I have been a member of this house, any question or resolution on which the house seemed to be so entirely in agreement. I do not propose now to discuss the subject matter any further, but only to say that while I am quite ready to acquiesce in the suggestion of the Minister of Labour that the resolution be referred to the committee on industrial relations for further consideration, I would like it to be with the understanding that if at all possible the matter in some form be resubmitted to this house during the present session, in order that the blind may receive financial assistance in the near future.

Mr. SPEAKER: It is moved by Hon. Mr. Gordon that there be added to the motion as an amendment the following words:

And that the question be referred to the committee on industrial and international relations.

Amendment agreed to.

Motion as amended agreed to.

FEDERAL HEALTH POLICY

PROPOSED ADOPTION OF POLICY IN COOPERATION WITH THE PROVINCIAL GOVERNMENTS

Mr. J. K. BLAIR (North Wellington): Mr. Speaker, in regard to this question of health I do not think we should encourage the duplication of services which we have had in the past, with both the provinces and the federal government taking part. As a result there have been many points at which the work has not been done properly. I think the desire of the federal government should be made known and the work carried on under the provincial governments; I think the provincial ministers of health are quite competent to carry out the work but that it is the duty of this house to outline the course we wish pursued, since we make some grants towards the cost of the work.

One of the branches which, in my opinion, should be considered, is the hospitalization of tubercular patients. In Ontario I believe the poor people and the rich people are well looked after, but there is the middle class who are not able to pay the cost of hospitalization. So we find contagion spreading all the time. We find homes in which there may be tuberculous persons living with children, and conditions of that kind, and I believe that if something could be done to bring about more complete hospitalization of tubercular patients it would mean a great deal to the county in which I live.

In connection with maternity work the situation in Ontario is perhaps different from that of the western provinces. In the west, where the farms are far apart, hospitalization is required in maternity cases, but that is not so in the rural sections of Ontario. I have the statistics in regard to Ontario with the exception of those for the last two or three years. We had an excellent man in Ontario, Doctor McCullough, who furnished us with the statistics so that we might know what was going on throughout the province, but for the last few years that information has not been made available. According to my information, however, the maternal death rate in the cities is two and a half times as great as the rate in the rural parts of the province. I think if the Minister of Health looks into the matter he will find this statement to be correct. So I do not think that the hospitalization of maternity cases would lower the maternal death rate in the rural parts of Ontario; I think the larger hospitals will have to show that they can do better work than is being done in the rural districts before we make any change in that regard. As I say, I am not speaking of the western provinces. People on farms there are further removed from medical assistance, but in Ontario by far the best record is found in the rural districts and villages, where the family doctor practices. I have the statistics for each city and each county for a number of years back, and I think my statement can be proved quite easily.

I might say also that in Ontario, and in fact the whole of Canada, the infant mortality rate is too high. Many other countries surpass us in that regard. I believe the average in Canada is something over 89 per thousand, while in New Zealand it is only 35. Certainly we are not among the leading countries so far as low infant mortality is concerned. According to the last report I have before me the maternal mortality rate per thousand is 5·8 in Canada, while in Italy and some other countries it is only 2·7. But while our maternal mortality is much too high I must say that it is in the rural parts of Ontario, and I presume that applies to the other provinces as well, that we find the low mortality rate of only 2·7, while in the cities it is as high as 7 and 8 per thousand.

Mr. SPENCER: I do not wish to take up the time of the house at any great length, but I should like to refer briefly to the minister's statement in connection with this resolution. First of all I wish to thank and compliment him upon the stand he has taken with regard to this all important matter of health. Early in his remarks, however, he said that he thought my address painted altogether too gloomy a picture with regard to the health of the Canadian people. All I can say in reply is that the statements I made and the figures I gave were actual facts with regard to the health of our people.

I have in my hand a short report by a commission which was formed in the province of Alberta. This commission realized the serious situation with regard to health matters and considered it necessary to draft a plan which would be sufficiently comprehensive properly to look after the health of our people. I should like to take a moment to outline the important part of that plan, as follows:

1. The regular general practitioner service of general medicine, minor surgery, obstetrics, etc.
2. Specialized service, special diagnostic services and major surgery.
3. Hospitalization and hospital facilities such as pathological laboratory services, X-ray services and so on.

4. Dental services.
5. Prescribed medicines; prescribed surgical appliances, and so on.
6. Preventive medical service for each unit.

This service would be a full time service similar to that now available in Edmonton, Calgary and the rural health districts operating in the Red Deer and High River areas.

I mention that plan because in one of the provinces, which I am glad to say has been congratulated by the minister they have realized the tremendous necessity for something more to be done with regard to health matters than is being done at the present time. It is because they realize these remedies should be brought about, and because of the considerable cost to that province as well as to other provinces which may follow a like plan, that I ask the house to give consideration to the necessity for making greater grants and working in closer cooperation.

I was pleased to hear the figures given by the Minister of National Health (Mr. Sutherland) concerning the great improvement which has been made due to the attention given to serious ailments such as tuberculosis, diphtheria, smallpox and whooping cough, and the resulting reduction in death rates from these ailments. I was pleased to note the minister is sympathetic to the idea of full time health units. On the whole I believe this house should be congratulated upon having a Minister of National Health who so wholeheartedly has met a problem such as the present one and who has given us such hope for the future.

The minister made some observations however concerning which I should like to speak. He said that with the exception of certain rural districts we are fairly well supplied with hospitals. That may be true so far as the older parts of Canada are concerned, but the same statement would not apply to the newer parts of the dominion. So far as the western provinces are concerned I know we could do with a great many more hospitals. While enumerating the hospitals in Canada he stated that there were 59 for the treatment of mental cases. In view of that fact it seems to me we have a situation which is more serious than I had at first thought. A condition whereby we have to have no less than 59 hospitals to take care of our mental patients is certainly not complimentary to such a young country peopled with such a robust race. Something must be wrong with our people in this northern country if we have to have that many institutions to take care of our mental patients. In those provinces with which I have been more closely in touch I know there is usually a waiting list of mental cases to enter the hospital, already built.

May I congratulate the Minister of National Health upon his statement that the ministers of health in the different provinces are to be invited to meet in Ottawa at some date in the near future. I should like to congratulate him further upon the address he gave and the hope he has given hon. members and people throughout the country who look forward to a great deal more being done, particularly in a preventive way, to guard the health of our people. I appreciate his observation that he has no objection to the resolution before the house.

Mr. SUTHERLAND: What the hon. member has said is true. The government has no objection to the motion passing, but its passing is subject to what I have said about cooperation and investigations being proceeded with.

Motion agreed to.

MOTIONS FOR PAPERS

NEW BRUNSWICK—PUBLIC WORKS

Mr. WEIR (Macdonald) for Mr. Michaud:

For a copy of all correspondence, letters, telegrams, and other documents, exchanged between the Dominion government or any member or any department thereof and all other persons relating to the following items of Schedule "A", Chapter 59, 24-25 George V, the Public Works Construction Act: Item 19, Campbellton, New Brunswick, wharf repairs; item 32, Dalhousie, New Brunswick, post office; item 41, Escuminac, New Brunswick, breakwater extension; item 49, Fredericton Experimental Farm, New Brunswick, new dormitary; item 75, Harbours and Rivers (New Brunswick only); item 98, Moncton, New Brunswick, public building.

Mr. BENNETT: Mr. Speaker, before the motion is put may I state the mover is not in his seat. I think it will have to stand, because in its present form the government is unable to accept it.

Mr. MACKENZIE KING: Stands.

Mr. BENNETT: It will require too much work.

Motion stands.

CAMPBELLTON—CROSS POINT, FERRY SERVICE

Mr. WEIR (Macdonald) for Mr. Michaud:

For a copy of all correspondence, letters, and telegrams, exchanged between the Dominion government, or any member or official thereof and any other person or persons, relating to the ferry service between Campbellton, New Brunswick, and Cross Point, Quebec, from May 1, 1934, to date.

EXPERIMENTAL FARM REVENUES

Mr. WEIR (Macdonald):

For a return showing:—

1. The revenue earned by each experimental farm and station in Canada for the fiscal year 1933-34.

2. The total expenditure of each experimental farm and station in Canada for the fiscal year 1933-34.

3. The total revenue and expenditure of all experimental farms and stations in Canada for the year 1933-34.

OTTAWA—OFFICE BUILDING RENTALS

Mr. WEIR (Macdonald):

For a return showing the total rent paid by the government for office buildings in the city of Ottawa.

CARMAN, MAN., POST OFFICE

Mr. WEIR (Macdonald):

For a return showing:—
1. Cost of repair work done on the post office at Carman, Manitoba, during the year 1934.
2. The character of work done.
3. The names of the person or persons doing the work.
4. If the work was let by tender?

MONTREAL CENTRAL POST OFFICE

Mr. DUBOIS for Mr. Deslauriers:

For a copy of all correspondence, letters, telegrams, and other documents, exchanged between the Minister of Public Works, the Department of Public Works, or any officer of the government concerning the contract awarded to the contractors, Duranceau & Duranceau, in connection with the erection of a central post office at Montreal:

Also a copy of all correspondence exchanged between the government or any officer of the government or any other person concerning the changes made to the said projected building in connection with the foundations;

Also a copy of the new contract, if any, entered into between the government and the new contractors in connection with the said projected building.

EMPIRE TRADE AGREEMENTS

REQUEST FOR OPINION OF MR. SPEAKER ON QUESTION OF PROCEDURE

On the motion of Mr. Harris:

That, in the opinion of this house, the operation of the trade agreements concluded at the imperial economic conference held at Ottawa, 1932, merits the approval of this house.

Right Hon. W. L. MACKENZIE KING (Leader of the Opposition): Mr. Speaker, before the first motion standing in the name of the hon. member for Toronto-Scarborough (Mr. Harris) is called I rise, not to take any exception to the house proceeding with it, but rather if possible to obtain your honour's opinion as to the bearing of the decision given by the ex-Speaker, the Hon. Mr. Black, which relates to the same question being raised a second time in the house during the one session.

The motion of the hon. member for Toronto-Scarborough has to do with the trade agreements concluded at the imperial economic conference held at Ottawa in 1932, and it is a motion to express the house's approval of those agreements. The discussion on this resolution may occasion pretty full discussion of the Ottawa agreements The question therefore naturally arises whether if this all-important subject is discussed at this stage on a private member's motion hon. members of this house will be free to discuss the agreements at a later stage, and particularly at the time the budget is brought down, when these matters will necessarily come up for consideration.

The ruling of the ex-Speaker is one that was given on May 15, 1934, and appears in the votes and proceedings of this house of that day. I shall not read the whole decision, but sufficient to indicate the important part of it and its relation to the point I am now raising. At page 332 of the votes and proceedings of 1934 the following appears:

Mr. Speaker: On April 23rd, Mr. Ralston moved an amendment to the motion of the Minister of Finance that Mr. Speaker do now leave the chair for the house to resolve itself again into committee of ways and means, the following:—

"This house regrets that the proposals of the Minister of Finance give no indication of the intention of the government to abandon the policies of economic nationalism which have proved so disastrous to Canada's trade. It is of the opinion that the immediate substitution therefor of policies which will promote export trade throughout the world is essential to any permanent improvement of conditions in Canada, and to the successful application of other policies respecting credit and employment designed to effect this end."

On April 30th, Mr. Spencer moved a subamendment and on May 7th on a question of order raised by Mr. Mackenzie, of Vancouver Centre, as to the subamendment, I held that the subamendment was not in order as it sought to deal with the question of credit which had been debated on a motion by Mr. Lucas and the matter of credit had been by consent referred to the select standing committee on banking and commerce where it is being considered.

It is now agreed that the amendment is not in order and for the same reasons as said subamendment was held to be not in order.

Then, a little further on, making reference to an amendment moved by the hon. member for Winnipeg North Centre (Mr. Woodsworth) the following appears:

On February 13th, Mr. Woodsworth moved the following amendment to the address in reply to the speech from the throne:—

"That the following be added to the motion: We respectfully regret that Your Excellency's present advisers have not taken such steps as are necessary to deal adequately with unemployment, to reduce the burden imposed by the public debt, and to put the agricultural industry on a basis that will ensure the farmer a decent standard of living."

Thereupon, employment was discussed and the amendment was disposed of by the house on a division resulting in 54 yeas and 89 nays.

That amendment dealt with the question of employment generally and the amendment now before the house is to the same effect and so is not in order.

The Speaker went on to say:

My decision is suported by the following precedents.

Bourinot, page 328: "It is, however, an ancient rule of parliament that 'no question or motion can be regularly offered if it is substantially the same with one on which the judgment of the house has already been expressed during the current session.' The old rule of parliament reads: 'That a question being once made, and carried in the affirmative or negative, cannot be questioned again, but must stand as a judgment of the house.' "

Then, not to take up the time of the house by reading it all, and to read only what is most pertinent, let me conclude with the last paragraph:

I therefore rule that the amendment moved by Mr. Ralston is out of order as it is substantially the same as one on which the judgment of the house has already been expressed, and it deals with matters already before the house.

From this decision Mr. Ralston appealed to the house, but the Speaker was sustained. At the time hon. members on this side felt that the decision was one which would materially limit the opportunities of debate and discussion in this house. I think your honour will agree that probably no question just at the present time is more important than that of trade, particularly as affected by the Ottawa agreements.

What I would like to know before we begin a discussion of this motion is as to whether, after the motion has been discussed, hon. members will be precluded from a very full discussion of the trade agreements and their effects when we come to discuss for example, the question of reciprocity or any other question that may come up in connection with the consideration of the budget. I also submit that for the consideration of the Prime Minister because I feel that if the ruling of the former Speaker is to bind this house we might as well give up hope after this afternoon of having any further discussion of the Ottawa agreements in this parliament, and I should not like to think that that was the intention back of this motion.

Mr. J. H. HARRIS (Toronto-Scarborough): I should just like to bring to the attention of the leader of the opposition this one important point. The resolution as drafted states that the operation of the trade agreements concluded at the imperial economic conference held at Ottawa in 1932 merits the approval of this house. There is no word of policy there, no word of empire markets, and with all due respect to the right hon. gentleman I submit to your honour that my motion is in order.

Mr. MACKENZIE KING: I have not questioned that it is in order. I have asked the Speaker's opinion.

Right Hon. R. B. BENNETT (Prime Minister): Obviously the question is whether or not the motion is in order. There can be no decision given by the Chair with respect to any matter until that matter is to be dealt with by the chamber. The Chair cannot give decisions in anticipation of what may happen.

Mr. MACKENZIE KING: Not decisions. I merely asked his honour for an opinion on the matter.

Mr. BENNETT: His honour is precluded from giving his opinion. His honour can only give his judgment upon a matter that is raised, upon a point of order being taken by a member of the house as to the propriety within the rules of discussing any resolution or question that is submitted to the house for its consideration. The Speaker of the house is not an advisory tribunal to express opinions with respect to some contingency that may or may not happen. His duty is merely to administer the rules and preserve order. As to the second there is little difficulty. As to the first, the construction of the rules, there is always some difficulty.

The opinion that was given by the former Speaker is a decision that there shall not be two discussions of a given matter at the same session of parliament. That is so fundamental for the maintenance of the institution itself that one would think there could be no doubt about its soundness.

The right hon. gentleman read from the records to show that this house had distinctly arrived at conclusions with respect to every matter mentioned in the amendment of Mr. Ralston, and a division having taken place and a conclusion having been reached it was not competent again to review that matter in the same session by projecting a new discussion into the house.

But there is also another matter to be considered, and that is that it is always competent for the house to express opinions with respect to a matter that has not been debated during the session, and up to the moment there has been no debate on the question which is now up for consideration. I was reminded the other day when discussing another matter, by my friend the Minister of

Justice that just prior to the budget being delivered increasing the British preference, the then member for the city of Halifax, the retired Judge Russell, moved a motion that in the opinion of the house the British preference should be increased by, I think, about 25 per cent. Three days later the Minister of Finance (Mr. Fielding) delivered his budget and increased the preference by 25 per cent. It was one of those motions made by arrangement for the purpose of securing an antecedent expression of opinion, and then finding that the budget itself dealt with the matter in the way I have indicated. But I do say to the right hon. gentleman that it is wholly improper to seek from the chair the expression of an opinion as to something that may be submitted; and, secondly, if there has been no point of order taken, then the debate should proceed without any further question. If the right hon. gentleman raises a question of order and indicates the grounds upon which he makes his point of order, we will discuss that point of order. But until that time does arrive, I submit that there is nothing before the chair to enable it to give an antecedent, shall I say, advisory opinion upon contingencies that may never arise or events that may never happen.

Mr. SPEAKER: I did not understand the leader of the opposition to raise any question as to the motion being in order. On the point however that he did mention there is direct authority in Beauchesne's Parliamentary Rules and Forms. In paragraph 108 at page 33 there appears this statement:

> The Speaker decides the questions of order only when they actually arise and not in anticipation.

I would refer the house to Denison and Brand, pages 295 and 296. I think the leader of the opposition has perhaps accomplished the purpose which he had in making his statement, but it is generally agreed that it would be impossible for me to give a decision at this time on a point of order to be raised in the future.

PROPOSED APPROVAL OF OPERATION OF AGREEMENTS CONCLUDED AT IMPERIAL ECONOMIC CONFERENCE, 1932

Mr. J. H. HARRIS (Toronto-Scarborough) moved:

> That, in the opinion of this house, the operation of the trade agreements concluded at the imperial economic conference held at Ottawa, 1932, merits the approval of this house.

He said: The operation of the trade agreements concluded at the imperial economic conference in 1932 has been one of the main factors which have made it possible for the League of Nations and indeed all fact-finding bodies to recognize during the last two or three years that Canada has recovered from the world depression probably more quickly than any other country in the world. Not only have all signatories to these pacts been benefited but they have experienced a recovery which is perhaps on a par with anything that is on record and one of which they are very proud. If the man in the street could get some idea of the magnitude of the effect they have had, if he could realize that one quarter of the world's population and perhaps one third of the world's commerce and business have been benefited by these imperial trade agreements, he would begin to form some idea of the greatness of the achievement and would then be able to measure what manner of man we have leading this Conservative party in our day and generation in this house. What a tribute to Canadians to think that there should be focussed on this country the attention of a quarter of the world's population, yea, of the whole civilized world. To think that that attention should focus on Canada with its small population of ten millions and on this city of Ottawa and on those in charge of the affairs of this part of the empire. It has made Canadians once again empire-conscious, as it were. We are thinking, acting and working together and are coming to believe that we as a people are showing the world the way out of its difficulties. These agreements are responsible for that feeling among civilized peoples. In the war we thought, acted and worked together and now in time of peace we are thinking, acting and working together again; and in my opinion when history is written fifty years hence these imperial trade agreements will be regarded as one of the real achievements so far as Canada is concerned.

To those of us who are in business, what a thrill it is to be buying sterling to pay for empire goods, whereas ten years ago we had to buy New York drafts, French marks, guilders, pesos or something else. Now we buy sterling to pay for our imports from other parts of the empire. But that perhaps was not the first duty with which this government was confronted when it came into power. We had to see to it that we got more trade and got it as quickly as possible; for we had staring us in the face at that time an adverse balance of trade of $112,000,000, which was bleeding this country white of any surplus that it had, and that had to be arrested. Although we may have been toddling previous to 1930, this government took charge

of the affairs of Canada and put the country on its feet. The first thing to do was to find work for the minds and the hands of all classes, but it was important to stop the efflux from this country of millions of our money, so that from this country, with its great natural resources, there should be a flow of goods to other parts of the world in order that we might have a favourable balance of trade with which to pay the interest on our indebtedness. That has been accomplished in four short years, to the extent that we had a favourable balance of trade on December 31, 1934, for the twelve month period of $146,432,000. That one achievement alone is in my opinion sufficient to grip the imagination of the Canadian people and put back into power the party which is now directing the affairs of this country.

Coming back to the operation of these trade agreements, I would ask you to visualize for a moment the distance that separates the different parts of the empire from one another —Australia, New Zealand, India, South Africa, Canada and then the United Kingdom in the centre. The very fact that these agreements have made possible an expansion of our trade has stimulated the shipping industry to a degree which it is difficult to measure. But not only the shipping industry but trade and commerce generally, all the channels of trade, have widened and deepened owing to the operation of these particular pacts.

Someone will say at once—What about Europe, which finds Great Britain in a sheltered position in relation to the different parts of her empire? Europe cannot get her goods into Great Britain in the same way as formerly. I had the pleasure of spending two or three weeks in Holland, Belgium and France, particularly Holland. A certain reaction has resulted from the fact that when these empire agreements were negotiated these countries could not get their products into Britain in the same manner as they could previously. I said to a good friend of mine with whom I had been doing business for some years, Mr. DeGroot of Scheepmackenshaven, Rotterdam: "What is the answer"? He said: "The answer is that I am not coming to Canada to see you this year. I have been gathering natural products from the Black sea ports and bringing them to the North sea ports and selling them in the industrial parts of France, Belgium and Holland. There I have been manufacturing them, my friends have been manufacturing them into finished goods and they in turn for the last twenty or thirty years have been dumping those goods into England." Yes, and England, that great workshop, is absorbing some of the natural products of those Black sea ports. England was dumping those finished products into North America, Australia and New Zealand. I said: "What are you going to do now that your market in the United Kingdom is a little more difficult to reach"? He said to me: "As regards the teeming millions of people from whom we have been taking natural products in the Ukraine, Roumania, Hungary and Poland, and lumber from Finland and Sweden, these products we are going to deal in; these products will be made into manufactured goods in the industrial part of Europe and my agents and my men are going to take these finished products back to the people from whom they receive the natural products in the first instance, and in another fifty years' time history will tell that the standard of living of the people in the Ukraine, Roumania, Bulgaria, will be raised by the consumption of the manufactured goods from the industrial part of Europe." So, in the final analysis, these imperial pacts which to-day to a degree have stopped the dumping of central European goods of all kinds into the United Kingdom will have the effect of giving back to those people whom I have mentioned finished articles so that they can bring their standard of living more nearly to where they want to have it, and that is on a parity with that which we enjoy in this western civilization.

Last May I cited to the house an example of what happens to some of the natural products of this country due to the sheltered position that these pacts have given to Canada. I informed the house of 500 tons of material such as had never before left the shores of Canada, reaching Luton, England, to be made into manufactured products. Since then I investigated the matter to find out what had happened to the people formerly supplying those goods. I found that the goods had previously come from China. Upon further investigation and correspondence I found that those imperial pacts had stopped China from shipping this particular product to England. What happened to these goods? They went into edible channels in China and to-day the Chinaman is consuming these goods which he should have been consuming right along in his own country. The net result is that in a few years we shall have stronger Chinese

In my remarks of a moment or two ago I mentioned lumber coming from Finland and Sweden. In 1922 one-half of the United Kingdom supply of spruce, pine and fir, representing 2,000 units out of the 4,000 units that are consumed in the United Kingdom, came from Finland and Sweden. What is going to happen to this trade now that Canada has a sheltered position for her lumber in the United Kingdom market? The workshops of Europe are hungry for the lumber of Finland and Sweden; they need it very badly and that trade channel coming down from there into central Europe is opening and widening, deepening and broadening in every sense of the word. In the meantime, we in Canada find that our position is improving by leaps and bounds. With your permission, Mr. Speaker, I should like to put a few of these figures on Hansard.

The lumber industry in Canada shows that in two short years due to the operation of these agreements, whereas in 1932 Great Britain took from us $4,848,000 worth of timber, last year they took from us $17,744,000 worth. Is the operation of these trade agreements to Canada's benefit? I say it is. Let me ask the hon. member for Nelson (Mr. Stitt): when he returns home to the Pas and sees two new lumber mills in the Hudson bay area operating that were never operating before and when he sees next summer going out of that Hudson bay port several cargoes of lumber to the United Kingdom, will not he and his people say to themselves that these agreements at least merit the approval of the Canadian people?

What applies to timber applies to a whole list of commodities but I am going to take the time of the house to mention only two or three. Let me take copper, lead and zinc. In 1932 exports of copper to the United Kingdom amounted to $4,854,000 and by December 31, 1934, this had increased to $14,308,000, or nearly four times as much. When the United States put four cents a pound against our copper and due to these pacts we received two pence a pound preference, that was something that was really worth while, and the stimulus given to that industry has been of great benefit to Canada. The same story may be told so far as zinc is concerned. The exports to the United Kingdom increased from $2,277,000 in 1932 to $5,354,000 in 1934. The exports of pig lead increased from $1,849,000 in 1932 to $2,963,000 in 1934. Exports of asbestos increased three times, from $143,000 in 1932 to $452,000 in 1934, and exports of nickel increased from $1,272,000 in 1932 to $10,087,000 in 1934. The mining industry itself has gone ahead by leaps and bounds due to the operation of these agreements.

But we find this benefit not only in that particular industry. I ask my friends from the land of Evangeline and those from British Columbia who know something about the Okanagan valley: Do your people not feel very proud of these agreements when they realize that last year they shipped 2,113,000 barrels of apples to the United Kingdom whereas two short years ago they shipped only 1,386,000 barrels. In a like manner exports to the United Kingdom of canned pears jumped from 4,396,000 pounds in 1932 to 9,752,000 pounds in 1934. When I think of British Columbia I also think of salmon. If hon. members can visualize that canned salmon exports to the United Kingdom increased from $2,523,000 to $3,262,000 worth in two short years they will get some idea of what is transpiring. I am glad to find a few of my hon. friends from the maritimes supporting this resolution. When your fresh and frozen fish exports rose from $355,000 two years ago to more than double that figure, $733,000 for the year ended December 31, 1934, I ask you what is the answer to be from the people down by the sea with regard to these agreements. Then ask any one about bacon and ham; it is common knowledge that these agreements have again opened up to the Canadian people a market for one of Canada's natural industries, the export of bacon and ham to Great Britain. This achievement alone should be sufficient to return this party to power. These exports rose from the products of 300,000 hogs in 1932 to the products of 1,000,000 hogs in 1934. I intend to ask your indulgence in a minute or two while I comment further on that feature. Eggs rose from an export of $3,972 in 1932 to $409,333 in 1934.

But we cannot get along with exports alone. The agreements recognized that fact. To-day we are in the happy position of seeing that more and more of the requirements of this country are being obtained from the workshops of England. With your permission I would like to put on the record these figures, given to me by the bureau of statistics:

EXPORTS TO UNITED KINGDOM

Twelve Months ending December 31

		1932	1933	1934
Fresh apples	Bbls.	1,386,479	2,640,110	2,113,824
	$	5,639,946	10,061,420	8,120,848
Canned pears	Lbs.	4,396,641	7,022,687	9,752,022
	$	256,276	385,346	606,555
Canned salmon	$	2,523,091	2,339,298	3,262,229
Bacon and ham	$	3,010,203	8,071,803	18,754,113
Eggs	$	3,972	363,285	409,333
Fish (fresh or frozen)	$	355,124	701,088	733,067
Timber (including partially manufactured wood)	$	4,848,157	9,013,871	17,744,390
Copper (rods, sheets, etc.)	$	4,854,831	8,754,765	14,308,289
Pig lead	$	1,849,717	3,047,227	2,963,356
Zinc (and products)	$	2,277,559	3,427,014	5,354,372
Asbestos	$	143,722	395,891	452,589
Nickel (and products)	$	1,272,127	6,648,908	10,087,351
Total United Kingdom exports		178,171,680	210,697,904	270,333,857

IMPORTS FROM UNITED KINGDOM

Fine cotton yarns	$	643,747	1,040,755	1,466,049
Unbleached cottons	Lbs.	680,565	1,982,480	2,740,641
	$	265,306	661,668	855,258
Bleached cottons	Lbs.	950,461	1,295,365	1,391,219
	$	536,079	648,450	712,579
Bleached and dyed cottons	Lbs.	3,826,981	4,330,838	5,610,947
	$	2,292,587	2,441,465	3,069,943
Linen fabrics in the web	$	766,252	959,865	1,210,912
Pure linen tablecloths, etc	$	550,314	856,000	971,809
Wool yarns for manufactures	Lbs.	3,130,469	3,943,499	3,309,967
	$	2,271,266	2,801,180	2,705,683
Wool fabrics 4 oz. and under	$	31,054	457,320	527,909
Wool fabrics, n.o.p	$	5,547,018	5,588,802	7,848,040
Total United Kingdom imports		93,508,143	97,878,232	113,418,569

In 1931 Great Britain only supplied us with 6 per cent of our requirements of mercerized cotton yarns; last year she supplied us with 84 per cent of our requirements. That is worth while. In like manner grey cotton imports from Great Britain in 1932 represented 17 per cent of our purchases, and last year it rose to 45 per cent. The following table will show other examples of similar improvement:

	Percentage of total Imports	
	1931	1934
Bleached cottons	25	75
Printed cottons	42	70
Wood fabric	65	93

The total increase in textiles was $20,000,000. Then further:

Leather	16	39
Iron and steel	6	10

The value of the imports of empire tea for 1931 amounted to $1,780,000; for 1934, $3,140,000.

I invite the right hon. leader of the opposition (Mr. Mackenzie King) to let his mind run back over the last fifteeen years in connection with the leather industry, and think of his friends in that industry, nearly all of whom were wont to support the Liberal party in days gone by. Where are they to-day? They are thinking of the good that has been done to Canada and to their industry by the operation of these agreements. Two years ago 16 per cent of our imports of fine leathers came from the United Kingdom, we are now getting 39 per cent from there. Let me read a letter from one of our friends in the leather industry. This is dated January 25 last.

With the sentiments which you express in regard to the empire trade agreement, I am in most hearty accord and were I a member of the house would concur most heartily in the motion which you propose. I believe that the trade agreements have been a distinct benefit to Canada as a whole. In the general advantage the leather industry has shared indirectly, but in addition there are certain branches of the leather industry which have benefited very directly by the trade agreement. My father will probably speak in greater detail of the advantage to the calf leather industry; I know that they have found the agreement a distinct advantage there, and certainly some sole leather tanners have benefited by it. Probably the greatest single benefit so far as the leather

industry is concerned has come to those producing patent leather. May the Ottawa trade agreement remain and increase in scope and advantage to Canada.

What is the situation in regard to patent leather? Three years ago the United States shipped to the United Kingdom 18,000 hundredweight, last year 7,000 hundredweight. Canada three years ago shipped to the United Kingdom 6,000 hundredweight, last year she shipped 11,000 hundredweight, to the value of £368,422, which money came into Canada to benefit Canada generally and the leather industry in particular.

This is what the father of the gentleman just quoted says, under date of January 29. The letter has just come to my hands. I apologize for not going on with my resolution last Monday but I wanted this information:

I agree with you that the Ottawa agreements have been of the greatest possible value to Canada. Led by the premier of Canada they have operated in favour of the farmers and business generally...

The writer's view is that this is one of the greatest forward steps in the empire. The rapid growth in two or three years, in all parts, together with the understanding of each other better and finding out that what they can exchange to the advantage of both will enlarge our trade as the years pass along. The leather business has been greatly benefited, more men have been employed. The empire demand has grown for our goods. It has increased 125 per cent since the agreements have been passed. We are not looking at this from any political standpoint—

Some hon. MEMBERS: Oh, oh.

Mr. HARRIS:

—but from a business standpoint, in which every citizen should be called to see the expansion, not only in our line, but scores of other lines.

I would like to turn back for a moment to bacon and ham and try to put the picture before you of what has transpired in that industry and how it affects Canadian farmers. When these trade agreements went into effect the average price of hogs in Canada was 4 cents. In Chicago it was a good deal less than 4 cents. Canada produces 6,000,000 hogs per year. What happened inside of twelve months from the consummation of these agreements? The price went from 4 cents to 6½ cents, beyond that in fact, but the average for the year in round figures was 6½ cents. In the United States the price remained stationary below 4 cents. So we have 6½ cents on this side of the line and 4 cents on that side, a difference of 2½ cents a pound. Six million hogs per year, produced in Canada, 2½ cents per pound on a 200 pound hog, represents $5 per hog. For six million hogs it means a total of $30,000,000. Due to these trade agreements you have put into the pockets of the Canadian farmers in that one year $30,000,000 more than they would have received had these pacts not been consummated and had the United Kingdom not seen fit to restrict her imports of bacon and ham. It did not stop there; it went from 6½ cents per pound to 8 cents, in round figures, in December of 1934. If you deduct 6½ from 8 you have a balance of 1½ cents, which on a 200 pound hog means $3, and on a production of 6,000,000 hogs means another $18,000,000 in addition to the $30,000,000 realized within the last two years. That is all due to the action of the United Kingdom in restricting her imports, making it possible for Canada to recover a portion of that market.

But our farmers have not gone far enough. In 1932 the products of 300,000 hogs went to the United Kingdom; in 1933 the products of 600,000 hogs went to that market, and in 1934, the products of 1,000,000 hogs were sent to the United Kingdom, but under these pacts it is possible for Canada to supply a quota equal to the production from 2,500,000 hogs. So we are only about a quarter of the distance that it is possible for us to go. Even since December 31, 1934, the hog market has continued to rise. To-day it is on the basis of 8½ cents, and I say to the Canadian people and the Canadian farmers that this one feature of these pacts will see to it that the Canadian hog will buy the baby a new pair of shoes.

While we were debating these agreements in 1932, my right hon. friend the leader of the opposition said:

They have made trade more difficult in this country than it was before; more difficult as between different parts of the British empire; more difficult as between different parts of the world.

With your permission, Mr. Speaker, I should like to put a few figures on Hansard.

CANADA'S TOTAL IMPORTS FROM EMPIRE COUNTRIES
Twelve Months ended December 31

Imports from:	1932 $	1933 $	1934 $	Per cent increase 1934 over 1932
British Empire (Total)	128,058,000	132,684,000	157,067,000	22.7
United Kingdom	93,508,000	97,878,000	113,418,000	21.3
Australia	5,845,000	5,080,000	6,374,000	9.1
British South Africa	4,085,000	4,537,000	3,007,000	-26.4
Newfoundland	576,000	626,000	1,422,000	146.9
New Zealand	856,000	2,013,000	2,893,000	238.0

These figures show that our imports from the British empire have increased 22·7 per cent in two short years. Imports from the United Kingdom have increased by 21·3 per cent, from Australia by 9·1 per cent, from Newfoundland by 146·9 per cent, and from New Zealand by 238 per cent. I ask you if that looks as though trade was more difficult. Our exports, to which I referred a few moments ago, increased as indicated as follows:

CANADA'S TOTAL EXPORTS TO EMPIRE COUNTRIES
Twelve Months ended December 31

Domestic exports to:	1932 $	1933 $	1934 $	Per cent increase 1934 over 1932
British Empire (Total)	217,157,000	255,181,000	335,245,000	54.4
United Kingdom	178,172,000	210,698,000	270,334,000	51.7
Australia	7,133,000	10,208,000	16,870,000	136.5
British South Africa	4,416,000	5,974,000	12,103,000	174.1
Newfoundland	5,645,000	6,025,000	6,597,000	16.9
New Zealand	3,406,000	3,833,000	6,821,000	100.3

Does that indicate that trade has been rendered more difficult by the operation of these agreements? Last December, for the first time in many moons, the United States found itself with an unfavourable balance in connection with its trade with Canada; the balance in our favour amounted to 19 per cent. The facts that I have cited with regard to our trade within the empire, and a study of those facts by our friends in the United States, in my opinion will do more to crystallize public opinion in that country and make them see to it that those in charge of their affairs get more of our trade, than anything that has happened in the last few years. The United States, which has exemplified all the 66 countries that have raised their tariff barriers, seeing us standing on our own feet instead of toddling along, as the hon. member for Southeast Grey (Miss Macphail) said the other day, will see to it that trade between Canada and the United States is increased, because we have been able to take care of ourselves.

Not only that, Mr. Speaker, but the quality of our products will create a demand that their markets be opened to us. Canadian cattle on the Chicago market, the first since 1929, sold for $7.75. That is an opening, a start, and when the new agreement is consummated by this government, this year or next, within two or three years we will see a steady flow of Canadian cattle to the Chicago market, which is our natural market for that product. We must realize that it requires only one per cent of the United States consumption of beef and beef products to relieve our market of the surplus of 300,000 cattle which we must move out of the country in order to stimulate our own market, and the day is not far away when that market will be opened to us.

My right hon. friend the leader of the opposition said world trade would be made more difficult. I should like to present some figures showing the distance we have travelled from the low of the depression towards average prosperity. The average prosperity was determined by taking an average of monthly indices in each case for the four years from 1926 to 1929. The figures indicate the dis-

tance travelled from that low of depression towards average prosperity:

	Per cent
Exports	50.5
Exports to empire countries	53.2
Imports	36.8
Imports from empire countries	53.2
Physical Volume of business	64.0
Industrial production	67.0
Manufacturing production	75.6
Iron and steel production	53.1
Textile production	141.0
Automobile production	61.0
Electric power production	140.5
Mineral production	184.8
Construction	17.0
Employment	62.6
Carloadings	35.6
Farm products prices	28.7

Our world trade has increased very considerably. I am sorry I have not ten minutes more to speak on that subject, but I am anxious to get to another statement made by the right hon. leader of the opposition, and appearing at page 290 of Hansard for 1932-33:

It is a very serious thing to take any step which will lead to friction between different parts of the empire. I think the British empire suffered sufficient strain during the period of the conference itself. I believe, as one distinguished writer has said, that we are perhaps better off that some agreement was reached than if none had been arrived at. On the other hand, as the same writer has said—

Beware of these men who write books.

—perhaps the British empire would have been much better off if no conference had taken place.

My right hon. friend speaks of friction. I thought agreements were instruments of peace, and I know this agreement has been such an instrument. I know it is one factor that has brought our people in Australia, New Zealand and South Africa closer together. How do I know? Last year I had a thrill when, for the first time, I received Christmas greetings from George Davis, who operates the largest docks south of the equator. He has a large plant at Cockatoo island, and does business in a big way. Does that sound like friction? Here is another greeting from a man who is chairman of about thirty industries in the United Kingdom; he says:

Greetings and hearty good wishes for Christmas and the new year.

Let me read a few extracts from some correspondence it has been my pleasure to receive since these pacts have been in operation. This is a letter from the chairman of about thirty industries in England who has corresponded with a friend in Australia who, in turn, has corresponded with me. The letter states:

The Cockatoo island dock appears to be a big venture. Such courage in these days impels my sincere admiration. I wish Australia every success. I saw the New Zealanders recently. My wife and I had dinner with them a few weeks ago. They are making progress, in the midst of the world trade. One cannot help wondering whether sixty-four nations have a sufficiently common platform to agree on anything concrete enough to deal with the ills from which the world is suffering. I sincerely hope it may be so but things do not look too bright at the moment, and I for one cannot help feeling doubtful regarding the ultimate success of the gigantic experiment which the United States is trying out. I still believe that our best hope for the future—

States my English friend.

—is to move forward in a coordinated effort to the development of the British empire, and to subordinate all other questions of policy to this end. I believe that doing this with our whole heart and soul we should successfully solve most of our problems over a comparatively short space of years and might set an example that in due time would lead the whole world to better things.

This man is the head of a £2,000,000 industry. He continues:

We are having our annual meeting to-day and I send you in confidence a copy of our balance sheet.

Does that sound like friction between the different parts of the empire? What does Australia say? Let me read an extract from a letter from Australia.

We in Australia as a community seem to be cheerful and feeling that the depression is behind us. We are doing better at the dock yards. It looks as though it is going to be a winner. We expect to lay down the keel of a sloop for the Australian fleet and this I hope is one of a number.

This is to haul more merchandise from Australia perhaps to Canada, but surely to the United Kingdom. The letter continues:

Under separate cover I have posted some photographs of the dock at Cockatoo island which is the largest dock south of the equator.

Does that sound like a step leading to friction? Let me read an invitation to visit South Africa:

Many thanks for your letter of August. Acknowledgment has been delayed owing to my absence in New Zealand. In connection with Australia, we are reducing our duties and I am working on this. It is a rather novel position for a manufacturer to ask for a reduction in duty but I am doing so in accordance with the empire agreements.

Listen to that, Mr. Speaker.

I have suggested to the Englishmen that they meet us from Australia in Cape Town, South Africa. We could all drive up to Pretoria and iron out the difficulties that South Africa are having. We could drive through from Pretoria

to the Nile and come out at the Mediterranean and go through to England. You could act as neutral chairman between Australia and New Zealand, the United Kingdom and South Africa. Have a talk with Mrs. Harris and see what you think about it.

In Australia the business community is feeling cheerful. This also applies to New Zealand. I hope at some date not too far distant we may have the opportunity to fly the little Australian and New Zealand flags along with the union jack and see if we cannot do even better as one than we did under several.

Does that sound like a step leading to friction between the different unions of the empire? I received from a New Zealand friend a copy of the Auckland Weekly News. What do they say?

New Zealanders affirm trade within the empire.

Then they go on to say:

To do the duty that lies nearest is ever sound policy and we believe in trade within the empire.

I shall close my remarks by referring to a communication which I received on January 17 of this year:

We are delivering one case of mineral waters on instructions from our Australian office and with the compliments of our Australian directors.

Mr. Speaker, I invite the right hon. leader of the opposition to join me in the consumption of these mineral waters which have been sent with the compliments of Australia, a country which believes that we are not having more friction with different parts of the empire, but that we will go on to greater and greater things. In the name of harmony and good will I ask the right hon. gentleman opposite to join me in the consumption of these mineral waters, in the hope that we will have more harmony and he will not provoke the traders of our empire.

Mr. THOMAS REID (New Westminster): Mr. Speaker, I welcome the opportunity afforded to discuss the Ottawa agreements, because I remember very well just before the vote took place the Prime Minister (Mr. Bennett) pointing his finger along these rows and daring each and every one of us to oppose the agreements, so that if there had been anything political in it surely we would have heeded the Prime Minister and voted with him on that occasion. But we did not heed him. I felt slightly wrathy at that time, because I never had a finger pointed at me and had never been told in that way before what to do. Coming from that great land of freedom I very much resented it.

[Mr. Harris.]

The last speaker (Mr. Harris) has given figures and percentages, and he has endeavoured to make it appear that since the passing of the Ottawa agreements Canada has been saved from some great catastrophe. During the time at my disposal I am going into the matter a little more closely, and I shall examine what has happened since the conference agreements were signed, and even previous to that time. I shall not go back to the years between 1921 and 1929, but I shall come to a more recent date. Let us deal with the trade of Canada just previous to the signing of the agreements in 1932, and compare the trade of that time with the figures two years later, 1934. I propose to examine carefully just what the agreements have done for the Canadian people, and more particularly for the farmers and workers in industry.

In passing may I observe that in 1930 the total trade of Canada was well over two billion dollars, but in 1933 it had dropped to about $887,000,000. If one wants to find as low a figure as that for Canadian trade he will have to go back a good many years. It is true that in 1934 trade increased a little, but would we not have been in a terrible position if it had not increased. However, even with the increase in 1934, in which year there was a total trade of $1,019,479,094, we have to go back to the year 1914 to get as low a figure even as that. May I point out that in 1914 we had a population of only a little more than 7,000,000 people, while in 1934 we have a population of well over 10,000,000 people. Despite the difference in population in those years the trade figures are about the same.

I shall now turn to the figures for grains, because I believe they are very important. First I shall give the figures showing the total value of grains of all countries. In 1930 we shipped grains valued at $232,763,740. In the year of the Ottawa conference the grains shipped were valued at $132,930,429. That, Mr. Speaker, was the year of the conference. In 1934 however, the total grains exported to all countries were valued at only $128,284,392.

That is fact number one, namely that the value of the total grains exported from Canada has dropped since the Ottawa agreements were signed and since this government came into office.

Now let us examine what happened to our shipments of these grains to Great Britain. In 1930 we shipped over 113,000,000 bushels of wheat to Great Britain, for which there was returned to this country well over $139,000,000.

I ask the house to take note of these figures. In 1932, prior to the Ottawa agreements being signed, we shipped to Great Britain over 110,000,000 bushels of wheat for which we received just over $65,000,000. In order to save time I am giving the round figures only. But please note the difference in value of those two figures.

Mr. ERNST: What happened to the wheat trade?

Mr. REID: You can make your own speech after I am through. I do not want to be discourteous, but I do not want to be interrupted. In 1934, two years afterwards, what were our exports? It will be remembered that the Prime Minister told us that it was necessary for Canada to sign these agreements if Canada was to live and expand her trade, because her trade had gone, and particularly it was held out to this country that Great Britain was our great salvation. Well, let us see if Great Britain was our salvation to the extent that some hon. members are trying to make out in this house and in the country; and, Mr. Speaker, I say again that I welcome very much this opportunity of getting down to the actual facts. In 1934 it is very true that we shipped to Great Britain 112,787,849 bushels of wheat, which was a slight increase over 1932, but a great decrease as compared with 1930. But here is the astounding fact, that for that 112,787,849 bushels of wheat shipped in 1934 we received $75,699,056, while in 1930 we received $139,000,000 for the 113,000,000 bushels that we shipped.

I heard the hon. member for Toronto-Scarborough (Mr. Harris) in his speech talking about European countries dumping their goods in Europe. What happened in our case? It is only because we dumped our goods into the old country at less than cost price that we were able to find a market for many of them at all.

I have before me the speech of the Prime Minister when he was talking about wheat, barley and oats, and the great market there was for these products. We raise, as everyone knows, considerable barley in this country, and the province of Manitoba is, I believe, famed for its barley. In 1932 we shipped to Great Britain 8,168,571 bushels of barley. That was just previous to signing on the dotted line the agreement with Great Britain. In 1934, two years later, we shipped to Great Britain only 1,398,043 bushels of barley.

Now take oats, another valuable product of this country. In 1932 we shipped to Great Britain 6,082,621 bushels of oats. After the conference we were going to find a great market in Great Britain for our products, but we shipped to Great Britain in 1934, two years after the conference, only 4,009,382 bushels of oats.

Now let us state the total grains, including rice; it may be news to some that we are shipping rice from this country, and I am sure it must be some consolation to our farmers. In 1932, before the conference, the total of our grains shipped to Great Britain had a value of $71,330,905. That was the total just before the conference. Two years later, in 1934, the total was only $77,600,084. That was the total value of our grains shipped to Great Britain just two years after the conference, but when you take into account the vast quantities of grains that had to be shipped to make up that amount, you will see that the remark I made a moment ago that we are dumping our goods into Great Britain was very pertinent indeed. In 1930, the low year under the Liberal administration, we shipped to Great Britain $149,138,637 worth of grains —quite a difference as compared with 1934.

Now as to rice which, as I say, we are beginning to ship to the old country. In 1932 we shipped to Great Britain $14,000 worth of rice and rice meal, and two years later we shipped $4,256 worth. I am taking all the grains as I go through the list.

Let me come next to rye. The member for Toronto-Scarborough held up a bottle in order that hon. members might see it, and we have to take his word that it contained mineral water. Well, in 1932 we shipped to Great Britain 2,116,572 bushels of rye, and in 1934 we shipped only 241,820 bushels—quite a drop, two years after the conference agreements were in effect.

I notice in reading the Prime Minister's speeches that he says "what a fine country this is for growing peas." In 1932 we shipped to Great Britain 8,685 bushels of peas, and in 1934, 7,429 bushels—a considerable drop.

I come to oatmeal, which must always appeal to those who come from the country north of England which is Scotland. There was a drop in our oatmeal exports. In 1932 we shipped 65,039,500 pounds of oatmeal to Great Britain, and in 1934 we shipped only 40,373,300 pounds.

Take butter. Governments have gone out and governments have come in on this one product. All these commodities I have mentioned are products of the soil and of our farmers. In 1932 we shipped to Great Britain 86,927,000 pounds of butter. Two years later, in 1934, that had dropped to 1,858,304 pounds.

Mr. SANDERSON: Wave the flag.

Mr. REID: When the hon. member for Toronto-Scarborough was talking about the wonderful increase in imports from Great Britain to this country I wonder if he noticed that in 1934 we imported into Canada from the old country 1,580,304 pounds of butter. That will be very comforting news indeed to the farmers of this land who are endeavouring at present to find a market for some ten million pounds of a surplus of butter. Our exports of butter to Great Britain dropped from 86,000,000 pounds in 1932 to 1,800,000 pounds in 1934, and in addition we imported from the same country in 1934, 1,580,304 pounds.

Take cheese. In 1932 we shipped to the old country 81,310,600 pounds of cheese, and in 1934 the export had declined to 74,413,300 pounds—quite a considerable drop.

Mr. SANDERSON: Wave the flag again.

Mr. REID: Take milk and its products, another very important item to the farming community in this country. In 1930 we shipped milk and milk products to Great Britain to the value of $16,859,942. That had dropped in 1932 to $12,410,749. After the conference it had dropped to the low figure of $9,504,252, a very considerable drop of nearly $3,000,000 from 1932, and $7,000,000 less than the last year of Liberal administration, which was one of the low years of trade.

I well remember the Prime Minister speaking about honey; I was interested in that because I happen to be a beekeeper. He spoke about having conversations with the Hon. Howard Ferguson, and told how the old country was waiting to eat up our Canadian honey. Well, in 1932 we shipped 1,948,047 pounds and in 1934, 1,853,093. These are interesting figures in view of statements made everywhere by members on the government side that the country's trade had gone down so low that nothing could save it but the agreements; if it had not been for the agreements, we are told, the country would have been sunk, but by their finding a market in Great Britain for our agricultural and other products we were saved.

Let me mention eggs, because this is one of the few articles of the farmer the export of which has increased. I will also mention bacon and hams, and let me say that there would be something terribly wrong if no article had increased. I am not omitting any of the increases during the time at my disposal along agricultural lines. In eggs, I find that while there was a great increase in shipments to the old country, we sold our eggs in 1932 at an average of 22½ cents a dozen whereas our eggs sold last year, 1934, at about 20 cents a dozen. Take dressed poultry. That showed some increase, but if you will look carefully into the figures you will find that we shipped many pounds at a very, very low price.

Coming to bacon and hams, I well remember, when that was under discussion, the Prime Minister telling the members of this house and the farmers that we had an unlimited market in this direction. It may be true we got some concession whereby we might send up to 280 million pounds to a free market, but let us see what advantage has been taken of that concession. In 1932 we sent 15,276,600 pounds and in 1934 it had risen to 94,559,700 pounds. But if you compare the prices of bacon and hams in the old land in 1934 and 1932 with prices obtained in 1930 you will find that the product returned a value of 13 cents a pound in 1934, 11½ cents a pound in 1932 and 22½ cents in 1930. Now these figures are very interesting, because after all it is what the farmer gets that counts, his returns. You can talk about percentages as much as you like, but it does not mean anything to the farmer.

Speaking of pork products I notice another article in this connection and that is dry salted pork. We lost a good deal in that market, because in 1930 we sent 4,627,400 pounds at an average price of 20 cents, which had dropped in 1932 to 1,138,900 at an average of 10 cents per pound. That was the year the Ottawa conference took place, and in 1934 it had dropped to as low as 842,100 pounds, netting us an average of 11½ cents a pound—a considerable difference compared to 20 cents a pound received in 1930.

I come now to the products of our fisheries. This is of considerable interest to two sections of the country, the maritime provinces and British Columbia. Canned salmon is one of the most important of our products in British Columbia. Let us see how it has fared since the Ottawa agreements have been in operation, and during the time of this administration. In 1932 we shipped 20,517,800 pounds of canned salmon to Great Britain, and in 1934, two years later, this had dropped to 12,922,300 pounds, a difference of 8,000,000 pounds, and representing a decrease of over $1,000,000 in value. I would point out in passing that the fish products of the Atlantic coast are mostly in the form of fresh or frozen fish, and the market has been lost owing to the fact that they were unable to ship into the United States, and there is little market in the old country for fresh or frozen fish.

The total of fishery exports in 1930 was $35,697,027, and that had dropped in 1932 to $24,437,078, and in 1934 to $20,779,938, or a drop of $15,000,000 since 1930, and with the fresh fish market of the Atlantic coast producers practically lost. Of the total I will indicate what went to Great Britain, taking the two years again. In 1932 we sent to Great Britain $5,481,301, and in 1934, after the conference agreements had been adopted, it had dropped to $4,685,328, or a drop of nearly $1,000,000 since the Ottawa conference, being almost the same quantity as was shipped in 1930.

Another product is maple sugar, which is consumed almost entirely in the United States. Our exports in maple sugar had dropped by about 1,000,000 pounds in 1934. Now, with regard to importations—

An hon. MEMBER: What about lumber?

Mr. REID: Don't worry; I do not intend to omit that. I wish I had more time, because I welcome this very much. The figures in regard to flour importations will comfort our people. In 1932 we imported 21,967 barrels of flour and since the Ottawa conference the figure has increased to 51,501. I have been endeavouring to get the importations from Great Britain, which I understand were considerably larger during the calendar year 1934.

I come now to lumber and newsprint, which are products of our forests. It may interest the house to know just how these two products are divided in value and in the number of those engaged, because it is important to have these figures before us. In the pulp and paper industry there were 26,669 persons in Canada engaged in 1933, and those are the latest figures that I can secure. There were 22,361 engaged in the lumber industry in the same year, or more persons engaged in pulp and paper than in lumber production. The value of lumber produced in Canada in the same year was $62,927,987 and the value of the pulp and paper was approximately $144,000,000, so that there is quite a comparison between the two. As a matter of fact, the exports from our forests equal 30·4 per cent of the value of all our total exports. I might point out that in the matter of exports newsprint takes second place in value and that only to wheat. Pulpwood comes third and lumber takes sixth place in comparison with wheat. The total unmanufactured wood pulp which was sent to Great Britain in 1930 amounted to $1,407,870. In 1932 that had increased just a little to $1,424,159. We were told however that after the agreements were enacted that trade would increase. In 1934, two years later, exports of unmanufactured wood pulp had dropped to $1,313,243. Exports of wood pulp dropped from $8,196,144 in 1932 to $4,883,318 in 1934.

As regards newsprint, it may interest the house to know that one-half of the total requirements of the United States in the manufacture of all kinds of paper comes from the Dominion of Canada. In 1930 our newsprint exports amounted to $145,610,519; this dropped in 1932 to $103,003,352 and in 1934, two years later, it dropped to $73,238,482, or a fifty per cent drop in total exports and a smaller percentage of that great total going to Great Britain.

An hon. MEMBER: Where was it shipped to?

Mr. REID: As regards the total amount of newsprint exports I gave to the house, it is principally shipped to the United States. Very little newsprint is shipped to Great Britain, and there seems to be very little market in that country for it. But newsprint and the production of paper is by far the largest part of our forest products industry, and I have endeavoured to place before the house the percentages, the total figures and also the number of men employed in both industries. Therefore, when we hear people talking about the lumber industry, they overlook the point that it is just one part. If exports of lumber from British Columbia to Great Britain have increased, I might point out that we were selling the very best lumber for less money than we could obtain for it from other countries, because the average was $17.50 when we were receiving from the United States and other lands an average of $23 for a thousand feet. So when this country is willing to give away their product, and the very best, and dump it into other countries, it is no use bragging in the house that we are doing so very well.

Let me now take the total of wood and wood products including all paper exports. In 1930 our total exports were $289,566,675; in 1932 this had dropped to $175,740,279 and in 1934, two years later, during the administration of my hon. friends opposite, it had dropped to $143,142,398.

As we are going through the whole wood item, there is another little one which is that of railroad ties. Some hon. members will ask: What market is there for ties? It is quite considerable. In 1930 we sold $1,104,835 worth of railroad ties, of which Great Britain took $340,127 worth. In 1934 only $1,153 worth was sold to Great Britain,

or practically nothing. The trade to Great Britain had dropped from $340,127 in 1930 to $49,324 in 1932, and two years later to only $1,153.

Another important item is shingles. There is practically speaking no market in Great Britain for our cedar shingles. In 1930 our total exports of shingles amounted to $6,704,494 and in 1934 this had dropped to $3,764,418.

Another matter that I wish to speak on and that has been discussed here, may be debated, if not under this heading, under some other. The other evening, when the hon. member for North Huron (Mr. Spotton) was speaking, I noticed that he talked of the great immigration to this country that had taken place during the Liberal administration being left on the doorstep of the present government, and they were compelled to bear the burden of it. I also heard the Minister of Labour (Mr. Gordon) make the same statement in the house last year. I have taken the trouble to go into the figures very carefully and am now placing the facts before the house. I would draw attention to the fact that they are taken from the records, and the years I shall quote are those of the Liberal and the Conservative administrations. The Right Hon. Sir Robert Borden assumed office in October, 1911; Mr. Mackenzie King assumed office in December, 1921. For the ten fiscal years 1911-12 to 1920-21 the total immigration was 1,678,316 of which number 629,464 were British. In the ten fiscal years 1921-22 to 1930-31, the total immigration was 1,217,069 of which number 491,727 were British, or a difference of 461,246 more during the Conservative administrations than during the ten years of the Liberal administration. I think those facts should be placed before the house, because I have listened a good many times to other statements being made. I have gone carefully into these figures and if they are wrong I shall be glad to correct them.

Mr. MANION: Would the hon. gentleman supply the figures for the four years of the present government and for the last four years of the former government, if he has them?

Mr. REID: I have not the figures. I have not the immigration figures for the last four years of the Liberal administration compared with the four years of this government, but I will tell you what I do have. We have heard a lot about Canadians who went out from this country during our administration, but the number brought back was not told. Here is a return for those four years. For the years 1926-1930 Canadians returning from the United States numbered 141,359. For the four years of the present administration the figures are 68,388. For the four years ended 1930 British subjects returning numbered 13,431, while only 4,334 Britishers returned during the four years this government have been in office.

The Minister of Labour has spoken about the type of immigrants. Let me give you one example. During the years 1912-1921, ten years, the Conservative government allowed 36,314 orientals to enter this country, consisting of 29,024 Chinese, and 7,290 Japanese. During the ten years of our administration, 1922-1931, the total number admitted was 7,141. Those living in British Columbia feel very keenly about that.

Mr. C. B. HOWARD (Sherbrooke): Mr. Speaker, after listening to the remarks of the hon. member for Toronto-Scarborough (Mr. Harris) one would think that not only were we returning to prosperous times but that conditions in this country were ideal. It is time someone put before this House of Commons what in my opinion is one of the most outstanding and extraordinary situations facing the Canadian people to-day. Who is going to pay the taxes? The position is this; the municipalities all over Canada are obliged to increase taxation in order to get revenues to meet their budgets, even those which are able to meet their liabilities. The provincial governments are driven to finding new sources of taxation. The federal government has got to the stage of bringing down legislation which will increase taxation considerably. Where is the money to come from to meet the increasing taxation with which we are faced at the present time?

Mr. TURNBULL: From the empire trade agreements.

Mr. HOWARD: Most of you know what the small industries of Canada have contributed not only to the labouring man but to the public and the farmers of Canada during the years of this administration. Do we realize that all industries, more especially these smaller industries, employing from ten to fifty men, have daily been apprehensive of being served with a writ of seizure? They have been carrying on business under great difficulty, not knowing where to get the wherewithal to meet their payrolls and obligations.

During the past four years, in order to maintain employment, they have been drawing on surpluses from previous years, and in November and December last some of them for the first time since this government came into power have shown results in the black. In this situation we need someone who will inspire confidence. In the savings banks of this country we have the greatest accumulation of the people's savings that we have ever had in our history. In the reserves of the insurance companies we see the greatest accumulations of the people's savings they have ever had. In the trust companies there are millions of dollars that are not there for safe keeping alone but because people do not know where to make investments, having no confidence in the future; because in Canada to-day we lack that leadership which would inspire the confidence necessary to put this country back upon its feet.

I suppose the empire trade agreements were the carrying out of the Prime Minister's promise that he would "blast" his way into the markets of the world. I am not going to cite figures or otherwise go over the ground that has been covered by my hon. friend from New Westminster (Mr. Reid), who has just spoken, but before I leave the question of taxation as it concerns industry in Canada let me give one example. An industry in my home city paid out during 1934, a year of depression, $350,000 in wages—not salaries. How much do you suppose they paid in taxes during 1934? A total of $126,000—one dollar in taxes for every three dollars in wages. But instead of looking for a remedy for that state of things, we are doing the opposite, and that will destroy the little confidence that is left. Everyone knows that if this country is to be prosperous we must have a prosperous farming population. It may be possible to protect certain industries and make them prosperous to the detriment of others, but if you do not have the farming population in a prosperous condition you cannot have any general prosperity. Let me quote from a paper which I have before me, by way of answer to the hon. member for Toronto-Scarborough. Up to the coming into power of this government our farming population had not only a sense of security but a sense of independence. What has been the situation during the last two years? We have heard boasts as to the rise in hog prices, but when I see on the front page of this newspaper what I am going to read I ask the house where we are going:

Charges Hog Prices Set By British Ring

And reading further:

So-called "official prices" are set weekly in England by an agreement between a committee of wholesale agents, who have exclusive control over Canadian consignments, and the wholesalers who purchase them.

What do you think of a condition under which the farmers' hogs are under the control of the English buyers and Canadian packers, working together to fix the price not in accordance with supply and demand but according to the profits they want to put into their own pockets.

Then let us consider butter, another product the farmer has to sell. The farmers of the eastern townships, the best dairy section of Canada, are more interested in the prices of milk and butter than in anything else. The price of butter to-day is 23¼ cents per pound. The price of butter this day last year was 26 cents per pound, or 2¾ cents more. Last year the price of butter went to 31½ cents, while this year the farmers are on top of a volcano. Everyone is sitting tight and maintaining the price of butter, but if one dealer starts to sell at a lower price, butter will fall to the lowest point at which winter butter has ever been sold in the history of Canada.

How did this government handle the butter situation last year, after going through the eastern townships of Quebec where butter had been selling at 32½ cents a pound in 1930 and telling the farmers that the low price of butter was due to the treaty with New Zealand and Australia, under which large quantities of butter came to Canada?

Mr. COTNAM: And you rescinded the treaty.

Mr. HOWARD: You bet we did. The government said, "Put us in power and we will put the price of butter back to 50 cents a pound." The farmers believed them and voted for them. When the next election comes along what are they going to do about the butter question? You fellows that slid in on butter will slide out in the same way.

Mr. COTNAM: Why did you rescind the treaty?

Mr. HOWARD: The duty on butter, under the King administration, was four cents per pound. That treaty was rescinded. This government did not say they would raise the duty; they said they would not allow Australian or New Zealand butter to come into this country to the detriment of the farmers of the eastern townships, and because of that promise they received many votes. Now this government has placed a duty of five cents per pound against butter coming

into Canada, but what has happened? The depreciated currencies of those countries, as against the gold standard prevailing in Canada, technically speaking, has enabled them to bonus butter to the extent of five cents a pound, to the detriment of our farmers.

How did this government handle the butter situation last winter? They said to New Zealand and Australia, "If you continue to ship this butter to Canada we will have to do something to stop it." They had done nothing except impose a duty of five cents per pound. Then they said, "This is what we will do. You bring your butter to Canada and place it in bonded warehouses in British Columbia and Halifax. We will tell you when to sell it and when to stop selling it." This was under the administration of the former Minister of Trade and Commerce (Mr. Stevens) and the present Minister of Agriculture (Mr. Weir). Every time butter went up to 31 cents a pound they telephoned from Ottawa to Halifax and Vancouver, saying, "Unload your butter," and that butter was sold until our price dropped to 29 cents. Then Ottawa said, "Stop selling your butter." Then, naturally, our butter went up to 30½ or 31 cents, and the government telephoned again, "Sell some more New Zealand and Australian butter," and when the price dropped below 30 cents they telephoned again and had that sale stopped. Why, Mr. Speaker, when the Prime Minister was in opposition I heard him abuse the previous government for the instability of their tariff policy. What do you think of what I have just cited as a tariff policy on butter?

Mr. BENNETT: On a question of privilege, Mr. Speaker, it may be well to correct the hon. gentleman by pointing out to him that the holding of butter in warehouses is provided for under a treaty made with Australia.

Mr. HOWARD: I accept that explanation, Mr. Speaker, and tell the farmers of the eastern townships that the butter situation was handled without any tariff, without any consultation with the elected members of this house, but under an arrangement made between the government of this country and the government of Australia. Just here I should like to give a few figures, though as a rule I do not like to quote them. I should like to give our importations of butter during the last few years:

	Pounds
1932	879,670
1933	876,894
1934	2,602,744

During the first six months of 1933 we imported 574,907 pounds of butter, while during the first six months of 1934 our importations amounted to 807,757 pounds.

Mr. MANION: How many pounds in 1929?

Mr. HOWARD: That is a very nice question from the Minister of Railways. In 1929 we imported about 26,000,000 pounds of butter, but the price to the Canadian farmer was 32½ cents. I say that the farmers of the eastern townships would be glad to see New Zealand and Australian butter coming into this country if they could sell their butter for 32½ cents per pound, as they did under a Liberal administration.

At six o'clock the house took recess.

After Recess

The house resumed at eight o'clock.

Mr. HOWARD: Mr. Speaker, a few moments before six o'clock the Prime Minister rose to speak to a point of order and to make a correction. He did so, as he said, just to make the record complete. I hold in my hand a copy of the Sherbrooke Daily Record, an independent newspaper which most of the time has supported the government of hon. members opposite. I shall quote the exact words, as reported in this newspaper, of the Minister of Agriculture (Mr. Weir) who spoke at a meeting held at Ayer's Cliff which was attended by Mr. John T. Hackett, the member for Stanstead, Doctor F. H. Pickel, the member for Brome-Missisquoi, Doctor J. C. Moore, the member for Chateauguay-Huntingdon, Mr. J. E. Tetreault, the member for Shefford, Mr. Samuel Gobeil, the member for Compton and several others. Referring to this famous agreement, or this telephone tariff policy, the Minister of Agriculture used the following words:

> And to the everlasting honour of the Australian government this undertaking was adhered to in both the letter and the spirit, despite the fact that it was written in no treaty, placed in no memorandum, but merely made by word of mouth between Mr. Maloney and myself.

I leave it to the house to judge the accuracy of the Prime Minister's correction.

Let me illustrate one of the fundamental reasons why the farming industry is in the bad condition in which it finds itself to-day. This condition may be due not so much to low prices—and prices are very low—as to the unbalanced condition between the price the farmer has to pay for what he buys and the price he receives for his produce. About Christmas time I was called to the office of two young men who about that time had purchased an insurance brokerage business and were drawing up their first annual statement. While I was with them the door of their

office opened and a gentleman dressed "dans l'étoffe du pays," apparently a real farmer, walked in and inquired as to the amount of his indebtedness. One of the men went to the ledger and said, "You still owe us thirteen dollars." The farmer handed over a five dollar bill and said, "If I can get you another five dollars to pay on the amount still owing will you wipe off the balance?" The insurance man replied, "Well, you must remember the fire insurance premium on your building expired some time ago and we have carried your account for almost three years." The farmer replied, "I appreciate what you have done, but do you know how I got that five dollar bill? This morning I brought to the Sherbrooke market twenty bushels of potatoes and sold them for twenty-five cents a bushel. I have brought you the five dollars to pay on my account."

Such are the conditions the farmers have to face. After that farmer had ploughed the ground, had disc-harrowed it, had fertilized it, had planted his potatoes, had chased away the potato bugs, had dug the potatoes and had delivered to the Sherbrooke market, all he could bring down in one load, he received only enough to pay about one-third of his insurance bill. The consequence is that his buildings are not insured to-day, and if they would be destroyed by fire he would lose their value.

I should like to say a word concerning beef prices and in that connection may I relate an actual incident. After I have finished hon. members will have some idea of what is happening to beef prices on that famous market into which the Prime Minister was going to blast his way. A merchant living at Wotton in the county of Wolfe had to get some money to meet his bills from the wholesaler, and with that in mind he set out on the ranges to interview farmers who owed him money. He went to a certain farmer and said to him, "I must have some money on the account you owe me. I have been reasonable in my treatment of this account, but I really must have money; how much can you pay me?" The farmer answered, "Well now, the interest has not been paid on my mortgage, my taxes are due next month, and I have no money in the house. I should like to pay you, but how can I?" The merchant, who was a fairly keen business man, asked if the farmer had something he could sell. He said, "I will buy anything you have for sale and will be pleased to credit it to your account." They went to the barns and looked over the stock which the farmer did not want to sell but which, in order to meet his obligation, he let the merchant have. They finally agreed on a purchase price for two two-year-old steers, in splendid condition, two farrow cows, well fatted, and one cow still milking. After a great deal of bargaining the merchant allowed the farmer $40 for the five animals. The farmer thought the merchant was stealing them, and the merchant thought the farmer had driven a hard bargain. Next day the merchant sent a truck to the farm and had the five head loaded and taken to the Montreal market, where they were placed in the pens. The cattle were seen by different buyers, fed and watered. The truck had carried them from the farm to the market, a distance of one hundred and forty miles, for $3 per head, a reasonable charge. Finally the statement came through the mail. There was a large sheet checked off in columns showing inspection charges, watering charges, feeding charges, unloading charges, and charges of all kinds. It was shown that the cattle had weighed 2,755 pounds and that they had sold at the price of one cent per pound. The net result was that after deducting the charges, the merchant who had paid $40 for the five head received a cheque from the market for $4.79. I repeat, he received $4.79 for five head of cattle on the market of Montreal, and I have in my hand a photostatic copy of the cheque. I shall not give any names. This government has been in power almost five years, and yet a merchant who sells five head of cattle receives only $4.79. When conditions are as bad as that I say it is time to have a change of government.

Mr. SPOTTON: Tell us the real story.

Mr. HOWARD: The hon. members for Compton, Brome-Missisquoi and Stanstead are taking sides with the farmers—and rightly so. They come from rural constituencies; especially is that true of the hon. member for Brome-Missisquoi. What have the members sitting behind the present government obtained for the farmers in their constituencies? They tried to obtain an increase in the price of fluid milk, after our market in the United States had been cut off. However this government did not take any action; it did not get an increase in the price of milk. On the contrary it did absolutely nothing to support the prices farmers in the eastern townships received for their milk. However the provincial government stepped in.

Mr. HACKETT: When?

Mr. HOWARD: About a year ago.

Mr. HACKETT: After a committee had been organized in this house, and they were forced to it.

Mr. HOWARD: Why did you not take that step?

Mr. HACKETT: We had not the authority.

Mr. HOWARD: But according to the Prime Minister you have the authority to do other things you are going to try to do at this session. The price of $1.35 per hundredweight which the farmer received in Sherbrooke was raised to $1.80, and $1.85 in Montreal, with no surplus thrown back, which means an actual increase of practically fifty per cent, and all of this increase went to the farmer. This milk problem may be one for the provincial government; I shall not discuss that question. But I say here and now that the present government did not do a single thing for members in the rural constituencies by way of helping the farmers.

I want to quote an example which to my mind illustrates the situation as well as anything. When this government came into power the basic interest rate in government financing, federal, provincial and municipal, was 4½ per cent. Labour at that time was receiving 40 cents an hour and the price of agricultural products, of pork, for instance, was 10 cents a pound; and mind you, in that situation this country was fairly prosperous. Interest, after all, is only the wages of money that goes to the man who has the money; then there is the wages that go to labour; and the price of agricultural products is the wages of the farmer. Well, what happened? The price of labour went down to 15 cents an hour, and for many there was no work at all, with thousands going on the unemployed list. The price of agricultural products, of pork, for instance, which I mentioned a moment ago, went down to 2¾ cents a pound. But what happened to the interest rate? Not only did the interest rate jump up considerably, but this banner province of Ontario, which boasts of its financial standing, put out a thirty million dollar issue of bonds at 6·15 per cent interest. Now, Mr. Speaker, if the interest rate had stayed where it was or had gone down proportionately with the wages and the price of agricultural products, the situation would not have been so bad; but when a government sits in power and allows the interest rate to go up nearly two per cent while the wages of labour are coming down from 40 to 15 cents an hour, and the price of agricultural products is coming down from 10 cents to 2¾ cents a pound, the government has to do one of two things; it has either to raise the price of labour and the price of farm products—and I say to the government, you have not been able to do that—or decrease the interest rate.

An hon. MEMBER: Or resign.

Mr. HOWARD: Not so very long ago the hon. member for Bow River (Mr. Garland) spoke in this house and suggested that interest rates be cut, and cut immediately, and he made a great plea for lower rates. The Prime Minister followed him and made this statement, which you will find in Hansard: "The hon. member suggests decreasing the interest rates. That is a sacred contract." A sacred contract! I want to ask you, Mr. Speaker, if there is any man in this house who is qualified to distinguish between those two kinds of contracts, the contract with the labouring men and the farmer, and the contract with the moneyed man, and then tell this house and the Canadian people that the contract with the moneyed man is sacred but that the contract with the labour man may be broken, that you can just throw him out on the street if you do not need him any more, and that for farm products you can pay the lowest price at which you can get them.

Mr. LAPOINTE: He had not talked with Litvinoff then.

Mr. HOWARD: No, perhaps he had not discussed it with the Russians at that time. But this is a serious question, Mr. Speaker. When we realize, after all this talk about the Canadian National Railways, that there are in the hands of the public over two billion dollars in securities, including the advances the government has made, on which this country is paying five per cent interest, it is obvious that if that debt had been refunded even in 1931 we would have saved the taxpayers of this country two per cent interest on two billion dollars, which is forty million dollars a year.

Mr. MANION: When did the Canadian National Railways owe two billion dollars to the public?

Mr. HOWARD: The Minister of Railways certainly is not serious when he asks that question.

Mr. MANION: I am serious.

Mr. HOWARD: I stated just previously what they owed directly to the public, together with the advances which the government have made to the railway and which are carried in the national debt of Canada.

So what difference does it make? The total indebtedness of the Canadian National Railways, including the money advanced to them, is in excess of two billion dollars, and the minister knows it. I repeat that if that debt had been refunded it would have made a saving of forty million dollars a year. But no, that is a sacred contract.

Mr. MANION: I do not think, Mr. Speaker, that that statement should go out to the public. The bonds owing by the Canadian National Railways are $1,255,000,000, not $2,000,000,0000, and the interest payable is on that $1,255,000,000; so refunding at two per cent less would not make a saving of $40,000,000.

Mr. HOWARD: Mr. Speaker, I do not wish to lose part of my forty minutes by debating that question any further. I stated, and I state again, that with the money advanced to the Canadian National Railway—we advanced them, for example, $75,000,000, or something like that last year, and charged it up to the railway—including all those advances made by the Canadian government, the investment in the Canadian National Railways to-day is in excess of two billion dollars, and the Minister of Railways knows it.

Mr. MANION: You cannot refund what is owing to the government.

Mr. HOWARD: But when the suggestion is made that those bonds be refunded, the answer comes back: Oh, you could not call in those bonds because that is a sacred contract. But let me tell you, Mr. Speaker, that the Quebec Central Railroad in Sherbrooke closed their shop one night, a surprise closing that nobody knew anything about, and threw out on the street men who had spent their lives in the service of that company—one man with twenty-two years' service, and many men whose length of service was from fifteen to eighteen years—and they were thrown out on the street overnight while if they had been allowed to go on they would have become pensionable after a certain date. That was not a sacred contract, but with money it is a sacred contract.

I will go further, Mr. Speaker, and say that every single bond could have been refunded, and the Prime Minister and the government know how to do it. They could have gone ahead and called these bonds, if there was no other way, and there are several. They could have done what we did during the war, formed patriotic committees, because I still have faith in the Canadian people and in the moneyed men in this country, and if you had appealed to them they would have come across and converted their bonds. Somebody gets up and says: Oh, but what about the widows and orphans and the small holders? But I say, Mr. Speaker, with prices as they are to-day, 65 cents of our money to-day will purchase as much as one dollar did in 1929, and therefore the person who is in receipt of interest would not have suffered any real reduction in purchasing power had the bonds been converted.

Furthermore, there would not have been all over this country the agitation that we see to-day and that is carried to the extreme of advocating no payment of interest whatever, the defaulting of obligations, and creating a situation such as has never been seen before in any other country of the world practically except Canada under the present government.

But to come back to the farmers, I want to underline this because I think it is quite important. Our farmers, no matter how they want to cultivate their own farms, no matter how much produce and fodder they want to raise, if they are going to produce milk from dairy herds, must purchase feed in the winter months. What has happened to the feed they have to buy? The price to the farmer of bran, shorts and middlings has increased some five dollars a ton, and I have had telephone call after telephone call to this effect: "Mr. Howard, it is true that we are getting a little more for our milk, but did you see the price of feed to-day as quoted in the paper? The price of feed is going up, which takes away any profit that we might have had." There was no way of getting medium priced feed for fattening purposes. Everybody in the farming game knows that you must have corn for fattening hogs, cattle and so forth. You bring in your corn, as we have been doing for years and must continue to do, from the Argentine and the United States, and what has happened to the corn situation? We imported, in 1931, 9,512,000 bushels; in 1932, 8,700,000; in 1933, 7,300,000; and in 1934, 5,200,000. You may say, those are considerable imports. Yes, but most of it was made into corn flakes and other prepared foods for human consumption. The total imports for feeding purposes under the general tariff were 151,000 bushels, and under the intermediate tariff, 1,345,000. On the corn that was brought in for the farmer to feed his stock he had to pay 25 cents a bushel under the general tariff, while under the intermediate tariff the rate was 20 cents. But the manufacturer did not pay any duty at all.

An hon. MEMBER: What has happened to the barley grower of Manitoba and Saskatchewan?

Mr. HOWARD: There are many other matters I should like to discuss, but I want to say one word with regard to industry, and I think it is only right that I should do so. The Prime Minister, speaking in this house on the address the other day, made some remarks with regard to a delegation, to show how terrible the situation was and how hard it was for the manufacturers to get along. He looked across the floor when he said, as reported on page 78 of Hansard:

> Were we to allow that to continue and destroy Canadian industry? Does the hon. member for Sherbrooke (Mr. Howard) believe that that should be done?

And so on. What he was pointing out was that a firm of manufacturers of running shoes, operating in the eastern townships, were meeting with competition in running shoes from Czechoslovakia. Very true; there is no question about it. But when we interrupted him he changed his subject, and do you know why? Because the Canadian manufacturer in the eastern townships making running shoes has to bring in his raw rubber just the same as the man in Czechoslovakia has to import his. But when the raw rubber comes in here what do you do with it? We find sales tax, excise tax and more taxes on our product, on linen thread and cotton, as well as on all the things that go into the manufacture of running shoes. The government taxes the products that go into the manufacture of the article. Well, you can place a tariff around the country and increase internal competition, which will mean a reduction in prices and a reduction in labour, but you will have the conditions which we have experienced during the past four years. And when you increase the cost of the manufacturer's raw product in Canada you may give him his Canadian market, but you will throw him out of the shoe business so far as competition in the markets of the world is concerned. If this country is to get back on its feet it must not only have the Canadian market, which is a wonderful market, but it must pay good wages to labour and also get into the foreign market. And this cannot be done if you increase the price of raw materials.

To sum up, I have only this to say. This government, to my mind, has instituted tariff by telephone, and has given bluff to the farmers and nothing to the workers, and under this last bill it does nothing for unemployment, but leaves it a cost to the municipalities and the provincial governments. It has increased to manufacturers the cost of their raw products with the result that their foreign markets cannot be retained. To business it says, "You are done for now, because government control will be instituted," and to money it has said "good-bye." We have had a good deal of flag waving in this country in theory, but this afternoon for the first time we had a genuine exhibition of it in the House of Commons, using real flags. All I have to say is, we trust it will be the waving for the next election.

Hon. R. B. HANSON (Minister of Trade and Commerce): I desire to make some observations with respect to the subject matter of this resolution. Hon. gentlemen who have preceded me will, I am sure, not expect me to follow them in their budget addresses which they have delivered in advance. There is one observation with respect to my genial friend from Sherbrooke (Mr. Howard) which I should like to make, and it is this. Surely he knows that of the billion and a quarter of bonds issued by the Canadian National Railway Company and guaranteed by the Dominion of Canada, the largest proportion has been domiciled and owned in the United States and it was obviously impossible that they could be called and converted.

Mr. HOWARD: You knew Australia had done it.

Mr. HANSON (York-Sunbury): Australia's debt was domiciled either in Australia or in the United Kingdom, and the British government itself cooperated with the Australian government. I wish to congratulate the hon. member for Toronto-Scarborough (Mr. Harris) on having brought this subject matter to the attention of the House of Commons. There is no doubt about it that in 1932 when these agreements were before the house there was a very marked difference of opinion. I had hoped, however, with the passing of time, with the results which have flowed from the agreements as they have been demonstrated by the trade figures brought down from time to time by the various governmental departments and crystallized into a whole by the Dominion Bureau of Statistics, that hon. gentlemen opposite who opposed these agreements, genuinely I believe, would have changed their opinion. And my view in that respect, I thought, had been confirmed by a statement which was handed to the press in November from behind the doors of the

Liberal federation which met in this city at that time, in which statement the leader of the opposition (Mr. Mackenzie King) in effect, implicitly if not in express terms, performed what I considered a great recantation.

Mr. MACKENZIE (Vancouver): You have a monopoly of recantation on that side.

Mr. HANSON (York-Sunbury): I may be all wrong in the inference I have drawn from the statement handed out. Certainly we were not taken into his confidence explicitly, but I am satisfied that in the minds of the people of the country there has been left the impression that there has been a marked change in the attitude of the right hon. gentleman; and I venture to suggest that any hon. gentleman in this house, listening to-night and this afternoon to the statements made here by the hon. member for New Westminster (Mr. Reid) and the hon. member for Sherbrooke will be in absolute doubt as to what their opinion is regarding the subject matter of this resolution. So far as the hon. member for Sherbrooke is concerned, I could not, from any single phrase or paragraph of his address, arrive at any conclusion as to whether he was for these agreements or against them.

Mr. HOWARD: Watch the vote.

Mr. HANSON (York-Sunbury): I have no doubt in that regard. The hon. gentleman is always regular; he will wait until his leader has made his statement and then follow suit.

Mr. STEWART (Edmonton): I would not stress that too much.

Mr. HANSON (York-Sunbury): There is no doubt that the trade of this country began to decline as long ago as 1929. When hon. gentlemen went out of power in the summer of 1930 they left this country with a declining foreign trade and an adverse balance of trade of $100,000,000. There is no doubt about that; hon. gentlemen will not dispute it. All the reasons for this decline in trade are now after five years quite apparent; they were not so apparent then. But I understand they were twofold: first, all the great nations of the world between 1922 and 1930 had raised their tariffs against this country. Canada did not follow suit but deliberately, as a matter of public policy, announced at the time—and did so, as I recall it, with a good deal of pride—that this was the only country among the great trading nations of the world that had intentionally lowered its tariffs.

Mr. BROWN: Tell that to the western provinces.

Mr. HANSON (York-Sunbury): I understand that to be the case. That is the reason why this country became the dumping ground of all the other trading nations of the world. That was the situation in 1930.

Mr. DUFF: Was the consumer benefited by that?

Mr. HANSON (York-Sunbury): As I have only a few minutes to go, perhaps the hon. member for Antigonish-Guysborough (Mr. Duff) will be good enough to hold himself in peace.

Mr. DUFF: The hon. member put himself in the position of being asked that question.

Mr. HANSON (York-Sunbury): Allow me to proceed. I do not think the Canadian consumer benefited; certainly Canadian industry and labour did not benefit by it, and I suggest that the Canadian labourer is a consumer as well as anybody else. In 1930, 1931, 1932 we were in the grip of the greatest depression the world has ever seen, and international trade, foreign trade, import trade, export trade dwindled from 100 to 33⅓ per cent the world over, free trade or no free trade, protection or no protection. Canada suffered as did every other trading country in the world.

Then came the Ottawa agreements, and I venture to suggest to hon. members that the consummation of those agreements was the vindication of a principle for which hon. gentlemen opposite and those who preceded them in the seats of the Liberal party, and hon. gentlemen on this side of the house and those who led the fortunes of the Conservative party for forty years, had been striving, namely, the principle of mutual reciprocal trade within the empire. I believe Mr. Fielding's chief claim to fame in history—and I desire to accord to the memory of that very great gentleman that which was his due—will be the fact that he brought in the British preferential tariff. But I also believe that Mr. Fielding and Sir Wilfrid Laurier, if they had confessed what was in their inmost hearts, would have admitted that when they made that gesture for empire trade, they also held the firm belief that the government of the United Kingdom would reciprocate. But this did not occur.

An hon. MEMBER: They did.

Mr. HANSON (York-Sunbury): They did ultimately. Why? Because the whole fiscal policy of the United Kingdom was changed after 1930 and it was not possible for any government to obtain mutual reciprocal trade within the empire before. I do not blame

them for their failure. It was impossible for England, committed to free trade as she was during all that long period of years, to have admitted the principle. Mr. Chamberlain at one time would have been agreeable personally to doing it, but he simply could not bring the British people to his way of thinking. After 1930 there was a change in the fiscal policy of the United Kingdom and these agreements which all parties in this country were eager to explore and adopt came into being and ought to have been accepted as the triumph of a great principle for which Canada had stood for forty years.

There is no doubt—and we might as well face the situation fairly—that from 1929, and perhaps prior to that time, down to the spring of 1933 the trade of this country had steadily declined. Hon. gentlemen opposite will say that this was because we raised the tariffs against imports. That has been dealt with so effectively and so many times on the floor of the house that I do not propose to-night to traverse the situation even for a single moment; but I say this, that after the Ottawa agreements had been in force for a few months, after they had been in force for a full two years as they were in November, 1934, the usefulness and benefit of these agreements fully demonstrated themselves and they are to-day the bulwark of Canadian commerce. What happened? Adverse trade balances were changed into favourable ones. Exports increased. We formerly had to export gold or borrow in foreign countries to pay our indebtedness, and to-day this country closed the calendar year, if you include the export of gold as a commodity, with a favourable trade balance of a quarter of a billion dollars. Canada has maintained her place as the fifth trading nation in the world and we have per capita the largest foreign trade, I believe, of any trading country on earth—$54 a head. That is something for Canada and Canadians to be proud of, as compared with $34 per capita in the United Kingdom and $14 per capita in the United States. Surely that is an enviable position for a little country like Canada.

I have with me to-night a statement of just what the trade of this country has been very recently in regard to the empire agreements, and I desire very briefly to lay the facts before the house. During the twelve months ended November 30, 1934, domestic exports from Canada to British Empire countries totalled in value $334,785,000, as compared with $217,203,000 in the twelve months ended November 30, 1932. This is a gain of $117,582,000, or exactly 54·1 per cent.

In 1934 our exports to foreign countries reached a total of $308,181,000 as against $287,245,000 in 1932, a gain of $20,936,000 or seven per cent in the face of all the adverse tariffs that have been raised against this country. The gain is not as large as we would like to see it, but it is a gain and a substantial one. The hon. member for New Westminster (Mr. Reid) this afternoon referred to the decline in the wheat trade. I suggest to him that the figures which I have given and will give a little later showing the character of our trade has changed. But the trade is there. No one knows it better than the hon. gentleman from British Columbia in connection with the export of lumber. If they do not know it we in eastern Canada do. In 1934 the exports to foreign countries from Canada reached a total of $308,181,000 as against $287,245,000 in 1932, a gain of 7 per cent. Imports from empire countries in the same twelve months, ended November 30, 1934, amounted to $156,956,000 as compared with $129,332,000 for the twelve months ended November 30, 1932, an increase of over $35,000 000 or over 21 per cent. May I add that in November alone our total foreign trade was in excess of $115,000,000, or at the rate of nearly a billion and a half dollars for the year. If we keep up the rate of advance that we have established since the empire trade agreements came into full operation we shall soon be back to the two billion dollar mark for foreign trade. Surely that is an achievement of which this country and every citizen in it ought to be proud, in the face of economic conditions to-day.

I have here a table showing Canada's total imports and exports to empire countries for the years 1932, 1933 and 1934, and the percentage of increase in the two year period. I propose to hand this statement to Hansard for inclusion in these remarks.

CANADA'S TOTAL IMPORTS AND EXPORTS TO EMPIRE COUNTRIES
Twelve Months Ended November 30

Empire countries	1932	1933	1934	Per cent increase 1934 over
Imports from:	$	$	$	1932
British Empire (Total)	129,332,000	131,048,000	156,974,000	21.4
United Kingdom	94,816,000	96,553,000	114,430,000	20.7
Australia	5,820,000	4,758,000	6,568,000	12.9
British East Africa	747,000	993,000	1,405,000	88.1
British India	4,661,000	4,708,000	7,344,000	57.6
British South Africa	4,040,000	4,721,000	2,807,000	-30.5*
British Straits Settlements	233,000	781,000	1,658,000	611.6
British West Indies	10,133,000	9,236,000	11,316,000	11.7
Newfoundland	678,000	606,000	1,269,000	87.2
New Zealand	791,000	1,951,000	2,944,000	272.2
Domestic exports to:				
British Empire (Total)	217,203,000	251,340,000	334,785,000	54.1
United Kingdom	177,443,000	207,540,000	270,685,000	52.5
Australia	7,093,000	9,889,000	16,395,000	131.1
British East Africa	422,000	464,000	593,000	40.5
British India	2,832,000	2,636,000	4,703,000	66.1
British South Africa	4,829,000	5,686,000	11,859,000	145.6
British Straits Settlements	319,000	489,000	1,274,000	299.4
British West Indies	6,826,000	7,240,000	7,493,000	9.8
Newfoundland	5,640,000	5,974,000	6,531,000	15.8
New Zealand	3,381,000	3,703,000	6,637,000	96.3

*The decrease in Canada's imports from British South Africa for the twelve months ended November 30, 1934, compared with similar period in 1932, was practically wholly due to falling off in the imports of corn and sugar, which, during this period decreased as follows:—corn, from $1,636,588 to $887,391, and sugar, from $2,284,368 to $1,366,622. The decrease in the imports of corn was due to partial failure of the corn crop in British South Africa during 1933. The movement of corn from British South Africa is once more in evidence, the imports in October and November amounting to $779,859.

Surely these figures are impressive. Surely they show that Canada is leading the way back to a substantial and healthy foreign trade. Surely they demonstrate the efficiency of the imperial conference trade agreements.

To the hon. member for Sherbrooke I would say that corn is not used altogether in making corn flakes. I am sure the statement he made in that respect was intended only as a joke.

I have been endeavouring to get an exact statement of the trade of this country for the full calendar year ended December 31, 1934. The particulars have been delivered to me in a form in which they are difficult to use, but I desire to put on record a few figures taken here and there from this statement. Dealing first with our total domestic exports to the United Kingdom, these have grown from $178,000,000 in 1932 to $270,000,000 in 1934. The exports under this group comprise many items. I should like to advert to a few which are the products of our primary producers. In 1932 this country exported to Great Britain, 1,386,479 barrels of apples of a total value of $5,639,946. In 1933, the first year of the agreements, that export had just doubled in volume, 2,640,110 barrels with a value of $10,061,000. Surely these figures demonstrate the value of the empire trade agreements to the apple growers of the Annapolis valley. If hon. members have any doubt of that let them ask the hon. member for Hants-Kings (Mr. Ilsley). He knew the value of these agreements to his people when they were brought down, and as was his duty he voted for the principle of them. I think he was very wise; I think he will agree with that himself. So I cannot understand the attitude of hon. gentlemen who oppose these agreements, having regard to the benefits that accrue to them in their own constituencies.

Let us take lumber. I think I know something about lumber. A man could not be born and brought up in New Brunswick and practise law and be engaged in litigation there and see the operations of the lumber business from day to day without knowing a little about lumber. I know this, that our trade in lumber with the United Kingdom for many years had dwindled to practically nothing. Then after these agreements were brought into effect a start was made in the right direction, and the growth of the trade, while it has not been phenomenal, while probably no great fortunes have been made out of it, has nevertheless been impressive. So impressive has it been that our people in that part of the country at all events are very anxious

indeed to consolidate their position in the English market. They are watching very closely the effects of the proposed arrangements between the Soviet republics and the timber distributors of the United Kingdom. I want to say that the very matter in reference to which the hon. member for Vancouver-Burrard (Mr. Hanbury) interrogated the Prime Minister this afternoon, is one which has occasioned great anxiety to the lumber producers of eastern Canada, because we desire to sell our spruce to the United Kingdom. We have had under these agreements a sheltered market for many of our products there. Our position is not quite so clear with respect to lumber, but because of the inclusion of article 21, I think it is, in the United Kingdom-Canada trade agreement, we enjoy the privilege of appeal to the government of the United Kingdom in regard to the "fall clause" in the timber agreement with the Soviet republic. That article was included in the agreement at the insistence of this government. Up to the present it has not been necessary to make use of it, but if it should become necessary to do so that provision will be of the very greatest advantage to the timber exporters of the eastern provinces.

I have often wondered, Mr. Speaker, as I have sat in this house—now a good many years—why in matters of this character we should not have unanimous approval, particularly where an arrangement has been made that has the effect of extending our foreign trade. There is a great deal of unanimity with regard to extending our trade with the United States. The hon. member for Antigonish-Guysborough was good enough yesterday to let his resolution go by the board because negotiations are now pending with respect to that very important matter.

Mr. DUFF: I want to see New Brunswick lumber go to the United States, which is its natural market, free of duty.

Mr. HANSON (York-Sunbury): Contracts of that sort, of course, are not unilateral; they are bilateral. I venture to say that the arrangement we make will be as good as anyone could make under the circumstances.

Mr. DUFF: Then you will not have to ship your lumber to the United Kingdom.

Mr. HANSON (York-Sunbury): I will say, however, that for certain classes of our lumber the United Kingdom is the better market of the two. There has been a great change in the use of lumber in the United States.

Mr. DUFF: No.

[Mr. Hanson.]

Mr. HANSON (York-Sunbury): If the hon. member does not believe me let him get in touch with some of those who are in the export trade; they will tell him that there has been a very great change in that respect. It may be that the appeal I am making will fall upon deaf ears, but the enlargement of our foreign trade and our export trade is so vital that before I take my seat I venture to appeal to hon. gentlemen opposite to change their attitude towards these agreements while there is yet time, and to get behind and support them, as I believe it is their manifest duty to do.

Right Hon. W. L. MACKENZIE KING (Leader of the Opposition): Mr. Speaker, in discussing this resolution, which is in the nature of a private member's motion, I should like first to direct the attention of the house to the nature of the motion and to the circumstance of this subject being debated at this time. The motion reads:

> That, in the opinion of this house, the operation of the trade agreements concluded at the Imperial Economic Conference, held at Ottawa, 1932, merits the approval of this house.

What, after all, does the resolution amount to? The government has a policy which, as is known by all hon. members in this house and throughout the country, is supported by its following. This resolution asks for the approval of that policy by the house. The fact that the government is in the majority, and is supported by hon. gentlemen opposite to the extent that it is, is evidence that its policy has the approval of the majority of this house. So this means that they are asking their own majority for approval of their own work. We hardly expect that hon. gentlemen opposite are going to vote any disapproval of their own policy. This motion only calls for an expression on the part of this house that the operation of these agreements merits the approval of the majority, which the government has already.

Mr. GUTHRIE: Of all hon. members, not of the majority.

Mr. MACKENZIE KING: Then may I say that my hon. friend will be very much disappointed if he is looking for any such verdict on the operation of these agreements. But may I direct attention to another point. If this motion is intended really to afford an opportunity for a very full discussion of the all important trade policies of the government opposite, and this is the most important feature of their policy, it is extraordinary that the matter should come before the house on the motion of a private member. As I

pointed out this afternoon there is a time recognized in the proceedings of this house at which to discuss great questions of trade and the major policies of the administration. That time is when the house is moved into committee of ways and means, when there is ample opportunity for discussing a question of this magnitude. There is no single policy of hon. gentlemen opposite which, in their eyes, is so important as the Ottawa trade agreements, and I do submit that it is an extraordinary thing that we should be asked to discuss this major policy on the motion of a private member.

It is still more extraordinary for the reason that none of us knows what is to be the effect of this discussion at this time. This afternoon I asked his honour the Speaker to enlighten hon. members as to what would be the effect of the discussion of this question on this motion, whether in view of the decision given by a previous Speaker it would preclude any further discussion of the question in the course of the present session. I directed the attention of the Prime Minister (Mr. Bennett) to the same point, but the right hon. gentleman informed us that the Speaker was not here to give expressions of opinion and that he, the Prime Minister, would give no expression of opinion either. Yet the ruling of an ex-speaker of this house, given during the present parliament, still stands, that a subject once discussed in this house cannot be taken up again during the same session of parliament.

Is the motive of hon. gentlemen opposite that of stifling further discussion of the Ottawa trade agreements? It looks very much like it. It looks as if, at the very beginning of this session, they are anxious to avoid as much as they possibly can in the way of discussion of the agreements, and they are preparing the way now so that, if it should suit their purpose when we begin to discuss the effect of these agreements on any reciprocity agreement or on trade in a large way, they may be able to look in the direction of the Speaker and point to the previous decision that has been given by a Speaker of this house with regard to a question not being discussed a second time during the same session.

If that is not it, what is the reason? The only other reason would appear to be that hon. gentlemen opposite, who have promised to reform the capitalist system, and the Prime Minister, who has said that he has a large program of social and industrial legislation in the nature of reform, want a little more time in which to get that program worked out, and they rather hope that by a discussion that may continue for a considerable period of time on a private member's motion, this question being so important, we will still further delay the time at which this house can take up the question of unemployment. I say that at this time instead of discussing trade agreements the house ought to be discussing the unemployment problem and means of remedying it. If this government were at all appreciative of conditions throughout the country and what the country expects of this particular session, they would bring forward not simply one measure of social and industrial reform but their entire program; not a program relating to something which is to come into effect a year and a half from now, but a program showing what they purpose doing in the matter of dealing with the situation that now exists, and particularly the distressing condition of unemployment. The fact that we have the motion before us and that hon. gentlemen opposite have chosen this particular course makes their purpose quite clear.

Be the consequences what they may, whether we are to be shut off from further discussion of this question at a later time, or whether the time of the house is to be taken up in discussing matters which for the last two years in this house and on the hustings have been discussed to a greater extent than any others, we will proceed to state our position briefly but clearly. If hon. gentlemen opposite want to know exactly where the opposition stands they cannot call a vote too soon.

I am surprised that hon. gentlemen opposite want to know how the agreements have operated, or rather what approval should be given to them. Since the agreements were brought before the house two and a half years ago they have been before the country and have been discussed and considered at every by-election. They have been discussed more during by-election campaigns than at any other time. I know hon. gentlemen opposite attach great importance to their mechanical majority in this chamber, but we on this side attach greater importance to the voice of the people as it has been expressed in the by-elections. Regardless of the majority they may be able to muster on this or any resolution, let me draw their attention to the fact that there still remains the circumstance that every by-election which has been held since the agreements went into effect has resulted, with one exception, in a Liberal member being returned to parliament. Those Liberal members have been elected, among

other reasons, because of the attitude of this party with respect to the trade agreements. The one return to the ranks of hon. gentlemen opposite was a candidate who was elected by a minority of votes and, as I have said previously, by the support of a minister who had resigned from the government. The voice of the people so far as these agreements are concerned stands nine to one in favour of the Liberal party. Since the people have expressed themselves as forcibly as that it is evident that what they want is not more discussion in this house on questions such as the one before us but an opportunity to express their views at the polls.

To come more particularly to the motion, may I say that hon. gentlemen opposite seem to feel they can debate the merits of the Ottawa agreements on a basis of statistics. It has been frequently said that one can prove almost anything from statistics, and I doubt if that particular maxim will find more in the way of application than to statistics relating to trade at the present time. May I however draw the attention of hon. members to the way in which comparisons are being made. When the Prime Minister and his following are discussing statistics they state it is not fair to compare present trade with trade as it was in the days of great prosperity under a Liberal regime. They say it is most unfair to make comparisons of trade when it was at its highest point, such as in the year 1928 under a Liberal regime, with trade to-day. On the other hand what do they do? When they make their comparisons they compare trade to-day with trade as it was at its lowest point in the period of the depression, a low point which was reached as a result of their own policy. They compare trade as it was in 1932 with trade to-day. I shall have a word to say as to how I believe trade reached the low level in 1932, and I shall show that it was a result of the trade agreements. In 1932 trade did not go down or just flattten out like a punctured tire, without some definite and specific cause. That is the cause which—

An hon. MEMBER: Oh, oh.

Mr. MACKENZIE KING: Mr. Speaker, I am going to ask that you kindly prevent interruptions by hon. gentlemen opposite. I think I am entitled to present our case. I shall not be very long, but I am entitled during the time at my disposal to present it without interruption from hon. gentlemen opposite.

[Mr. Mackenzie King.]

Mr. COTNAM: You just made forty the other day in one speech. Practice what you preach.

Mr. BENNETT: The right hon. gentleman interrupted me forty times.

Mr. SPEAKER: The right hon. gentleman is quite right. If any hon. member wishes to ask a question he should intimate that he is desirous of doing so. Then if the right hon. leader of the opposition, who has the floor, indicates his willingness to answer the question, he will follow the usual procedure of resuming his seat and permitting the question. Otherwise I would ask that the ordinary rules of debate be followed.

Mr. MACKENZIE KING: Thank you, Mr. Speaker. May I say with regard to interruptions that if in the course of speaking I make a slight error, as is sometimes inevitable, which I do not notice at the time, or if I make a statement which is not accurate in any particular, I shall welcome my attention being drawn to it. If I make a mistake in regard to a matter of fact I shall be only too happy to correct it. May I say, however, that I shall expect these interruptions rather from the Prime Minister than from a number of gentlemen who apparently are not attempting to do anything else but interrupt. If I have had to interrupt the Prime Minister in his remarks it has been because I have had to draw his attention to the fact that he was misrepresentating my attitude. I shall expect him to do the same when I am speaking, if I misrepresent him, or if I make a statement which is not correct.

Mr. BENNETT: I would be on my feet all the time.

Some hon. MEMBERS: Hear, hear.

Mr. MACKENZIE KING: I am glad the Prime Minister has afforded his following a little merriment. I could see they were looking pretty grim, the more this question was discussed.

I was pointing out methods of comparison. I believe I have made it clear that hon. gentlemen opposite assert that hon. members on this side of the house should not make comparisons between trade as it is to-day and as it was in the days when the Liberal party held office. However, when they come to a discussion they attempt to show that a great improvement has taken place in the last two years by making their comparisons with trade at the lowest point it has been since they held office. I think

the truer comparison, although it is not absolutely accurate, would be neither of these extremes, but the mean which lies between, namely, a comparison of present trade with trade as it was at the time hon. gentlemen came into office in 1930. In other words, if comparisons are to be made at all, that is a much fairer basis upon which to make them.

But even in making comparisons on that basis one has to consider that there are many factors which account for the trade between Great Britain being what it is to-day, factors that are apart altogether from the Ottawa agreements. There are world factors which have affected the whole course of world trade, have had their effect upon the trade between Great Britain and Canada and would have had their effect if there had been no trade agreements. May I say, however, that had there been no Ottawa agreements these world factors would have had a much more favourable effect upon the trade between Great Britain and Canada than has been the case under the trade agreements. Some of these world factors are perfectly obvious. Just to give point to what I have said, may I draw attention to the trade between this country and the United States, showing how it has increased over the same period in which trade between Great Britain and Canada has increased. May I draw attention also to the fact that ever since the present government came into office, and indeed before, we have had a much larger volume of trade with the United States than with Great Britain. When we are discussing the operation of any agreement and its effect upon trade we have to consider the effect upon trade as a whole.

What are the facts with regard to trade between Canada and the United States as compared with trade between Canada and Great Britain since the Ottawa agreements went into effect? I do not think it will be argued by hon. gentlemen opposite that any increase of trade between Canada and the United States was due to the Ottawa agreements. The Ottawa agreements were enacted, amongst other things, to make trade with other countries as difficult in comparison as it could possibly be made. What has our trade with the United States approximated in millions of dollars, giving the figures in round numbers? For the twelve months ended October 31, 1933, our total trade with the United States was $372,000,000. Our total trade with the United States for the twelve months ended October 31, 1934, was $492,000,000, or a gain in that one year of $120,000,000. With the United Kingdom our total trade for the twelve months ended October 31, 1933, was $293,000,000, and in the next twelve months, ended October 31, 1934, it was $383,000,000, or a gain of $90,000,000. In other words, after the Ottawa agreements went into effect our total gain of trade with Great Britain was $90,000,000, but our total gain of trade with the United States was $120,000,000. I submit that nothing more than that is necessary to prove that so far as there has been an improvement of trade in this country, it is due not to the Ottawa agreements but to something else. It may well be that the reason our trade is not greater than it is with the United States, and also with Great Britain, is found in the Ottawa agreements; but certainly it cannot be claimed, in view of the figures that I have given, that the increase of trade between Canada and Great Britain is due in particular to these agreements.

Another factor that should be taken into consideration is the method by which these agreements have been administered, the method by which all our tariff legislation has been administered. We well know that for a time trade came about as nearly to being embargoed as was possible. As I have said, we got down to the flat tire phase in 1932, and then when hon. gentlemen opposite, through their endeavour to restrict trade and to develop a policy of economic nationalism for the country, had pretty nearly ruined the country altogether, they began to see the necessity of easing up on some of the restrictions they had previously imposed and of administering many of the laws very differently from what they had been doing theretofore. That of itself, which made for greater freedom of trade, in other words that step in the direction of Liberal policy, began at once to make itself felt, and as some of the restrictive measures and methods of artificial valuation and the like were made less exacting than they had been, trade naturally responded to this opportunity to flow which previously had been denied to it. I submit that if one had the time to do so, he could show that all the increase in trade that came about was due to some relaxation of the tariff barriers and restrictions which had been imposed by hon. gentlemen opposite under these agreements or under their administration of their terms.

There is another factor so far as trade between Canada and Britain is concerned: it is what has taken place in Britain itself in regard to some of the other countries with which she trades. I shall mention only one. We all know that there has been an unfortunate difference between the Irish Free

State and Great Britain ever since these agreements went into force or shortly after. With what result? With the result that so far as cattle and some other commodities are concerned they were not shipped to the same extent from Ireland to Britain as had previously been the case, and at once there was a demand, not due to the Ottawa agreements in any sense of the word, but due to the situation that had been created between Ireland and Great Britain, whereby trade from Ireland was restricted and lessened, and greater opportunity thereby given to trade from Canada. But that was not in any way the result of the operation of the Ottawa agreements.

May I point out also that since the Ottawa agreements have come into force, our currency has very considerably depreciated. From the time hon. gentlemen opposite came into office up to the time of the Ottawa agreements our currency depreciated. When you are taking account of the figures of trade as they were in the days of the Liberal administration, it is to be remembered that our dollar was valued at one hundred cents, whereas to-day under hon. gentlemen opposite it is valued at around sixty cents. That of itself will account in very large measure for this supposed increase in trade that has taken place in the last few years, and it is something apart altogether from the Ottawa agreements. These are only a few of the things that might be mentioned. Innumerable factors enter into the matter of expansion and restriction of trade; I have mentioned only four, but I think the four are sufficiently obvious to make perfectly clear the point I have been seeking to make.

Apart altogether from statistics, the only way in which a true comparison can be made in respect of the operation of these agreements is to ask ourselves what trade would have been had there been no Ottawa agreements at all? What would trade have amounted to had the policies which were in force when the present administration came into office been continued—had a policy such as that which was laid down by the Liberal administration in the so-called Dunning budget been followed as compared with what we have as a result of the Ottawa agreements? That is the only true basis of comparison. Here may I say that we come to something that is fundamental in the Ottawa agreements, namely that the Ottawa agreements are founded on a policy of protection. They are founded on a policy of restriction of trade, not on a policy of greater freedom of trade; and in estimating how they have operated one has not merely to keep in mind the actual results of the agreements as we see them, but also, as far as we can endeavour to see what the trend would have been, what in all likelihood would have been the result of the operation of the different policies which hon. gentlemen opposite changed when they came into power. Now, this last factor is not capable of being reduced to a definite term. In the nature of things we cannot say exactly that so many hundreds of thousands of dollars or hundreds of millions of dollars of difference would have occurred; but what we can readily see is how entirely different the trend would have been had different policies remained in force.

To understand the Ottawa agreements one has to go back to the first meeting of the imperial conference in London in 1930 which was attended by the right hon. the Prime Minister, and also to what was done at the first session of this parliament; because it was at that time that the Prime Minister began to lay the ground work of his policy of economic nationalism. He began by increasing duties against all countries and against Great Britain before he went to the conference, and then when he got to the conference he told the British people that there would be no preference with Canada unless it was on the basis of a preference granted, not by the lowering of existing tariffs in favour of Britain, as had been done under Sir Wilfrid Laurier and Sir Robert Borden and every other predecessor of my right hon. friend in this country, but by the raising of tariffs against other countries. More than that, he stated that there would be no agreement entered into until Britain herself changed her fiscal policy. When therefore we endeavour to estimate the effect of these Ottawa agreements upon trade between Great Britain and Canada, We have to ask ourselves what trade would have been had Britain not become a protectionist country but had remained, as she was, a comparatively open market so far as Canada was concerned.

The Prime Minister at the conference in London told the government there that they must change their fiscal policy from one that was in the nature of freedom of trade to one in the nature of protection and restriction of trade. He advocated a ten per cent increase in tariffs and he made it quite clear that he would not negotiate agreements with Britain until that or some change was made. How was that situation viewed? It was because of the attitude of the Prime Minister of Canada that the then Secretary of State in Great Britain said that the suggestions he was making were all humbug and that they could not be entertained. The Prime Minister of Great

Britain himself said, "It is impossible; we cannot do the thing we are asked to do." And Lord Passfield made perfectly clear, in a speech in the House of Lords, what was represented as the basis on which alone Canada was prepared thereafter to trade with Great Britain, namely, that the British government must change its fiscal policy. Inasmuch as the British government were unwilling to make any change at that time, the Prime Minister came back without any trade arrangement at all.

As against that position, one has to take the position as it would have been had the attitude proposed by the Liberal party been adopted. We knew that the conference was coming in the fall of 1930. We knew that some countries were adopting policies of economic nationalism. We knew that there was necessity to seek markets with greater effort than ever where there was a possibility of obtaining or maintaining them. We therefore made a special effort to get as large an entry of our products into the British market as possible. The Dunning budget was framed on the basis, that where we were losing trade in one direction because of tariff walls being raised by other countries we should seek to gain trade or at least to maintain what we had within the British empire where we had an open market, practically as it was at that time—the largest market in the world. As I say, we cannot assert definitely what the result would have been; but anyone who stops to contemplate what it might have been will readily see that the trade between Britain and Canada would have been infinitely greater under the arrangement proposed by the Dunning budget than it is under the changes that have been made by hon. gentlemen opposite.

I need not repeat, what is well known to everyone, that trade cannot be carried on all in one direction; and once the Prime Minister of Canada practically closed the door, if not completely at any rate in part, against trade coming to Canada from Great Britain, as was done when he raised the duties against Britain, to that extent he made it more difficult for us to sell our products in the British market. And every step he has taken in dealing with trade matters has been in the direction of raising tariffs higher and higher and making trade more and more impossible, with the result that our great primary producers in this country have had very little chance to get into the British market with their goods.

The reason Sir Wilfrid Laurier adopted the policy with respect to the British preference which he did was this. He saw that trade, in order to be carried on at all, had to flow both ways, and his desire was, not to make trade between Britain and Canada more and more difficult but to make it relatively easier by giving us an opportunity to sell what we could in the British market, by giving Britain an opportunity in our market with respect to the things desired by our own consumers and producers.

I cannot go over the whole story of his negotiations with London, but we know that after the Prime Minister came back he showed Britain, with a stronger hand than ever I presume, that his intention was to go on raising tariffs, against Britain as well as other countries because we had the whole tariff changed in considerable part and duties put up higher than ever at the next session. Then we had the conference in Ottawa.

What took place at the conference here in Ottawa is most significant. When the British delegates were meeting with delegates from other parts of the empire, the British delegation stated in the clearest language possible what they regarded as the course that should be pursued in endeavouring to work out reciprocal agreements between the different parts of the empire; and when we come to ask ourselves how these agreements have operated, how they have affected trade, we must pause and put this question to ourselves: What would have been the position of trade between Britain and Canada to-day and since 1932 had the proposals of the British delegation been carried out, instead of proposals which were diametrically opposite and for which the Prime Minister of Canada was himself responsible? I am not going to say in my own words what the proposals of the British delegation were; I will read what was said in this very chamber at the opening meeting of the conference. I happened to be sitting in the gallery opposite when the Right Hon. Stanley Baldwin, who was head of the British delegation, a former prime minister of Great Britain, made his address at the opening of the conference and set out the policies which he hoped, and not he alone but the British delegation as a whole, would govern with respect to trade within the empire in any agreements that might be made. Here are his words, as reported in the proceedings of the conference at Ottawa on July 21, 1932:

> What then should be the first aim of this conference? It should be to clear out the channels of trade among ourselves . . . we hope that as a result of this conference we may be able, not only to maintain existing preferences, but, in addition, to find ways of increasing them. There are two ways in which increased preference can be given—either by lowering

barriers among ourselves or by raising them against others. The choice between these two must be governed largely by local considerations, but subject to that, it seems to us that we should endeavour to follow the first rather than the second course. For however great our resources, we cannot isolate ourselves from the world. No nation or group of nations, however wealthy and populous, can maintain prosperity in a world where depression and impoverishment reign. Let us therefore aim at the lowering rather than the raising of barriers, even if we cannot fully achieve our purpose now, and let us remember that any action we take here is bound to have its reactions elsewhere. His Majesty's government in the United Kingdom therefore place before the conference as its general objective the expansion of empire trade, brought about as far as possible by the lowering of trade barriers as between the several members of the empire.

If hon. gentlemen opposite or the Prime Minister had accepted the objective as set forth by the former Prime Minister of Great Britain, every party in this country as well as every party in Great Britain would have been as one with regard to the agreements that might have been reached. There would have been no difference whatever. The reason that we on this side objected to the Ottawa agreements was that we believed Mr. Baldwin was right in what he suggested, and that the Prime Minister of Canada was wrong. We believe that because Canada did not accept the attitude proposed by Britain, to aim at bringing about preferences through the lowering of tariffs within the empire, instead of bringing about preferences by raising higher tariffs against the world, the greatest mistake was made that has been made in this country at any time. That is where our difference arises with respect to the Ottawa agreements, and that difference goes right to the root of everything respecting them. That is why we have been opposed to these agreements. It is not that we were opposed to an agreement with Britain; we have always sought to further trade with Britain even to a greater extent than with any other country. It was Sir Wilfrid Laurier who was the first to give a preference to Great Britain. The idea of a preference did not originate with hon. gentlemen opposite; it originated with a Liberal prime minister who was anxious to further the interests of his own country and of the empire at the same time. That is exactly what would have happened had the Ottawa agreements been based on policies such as are set forth. But the policies that were made to govern were those, not of greater freedom of trade but of more and more in the way of protection, more and more in the way of restriction as between the different parts of the empire and more and more in the way of restrictions than ever as against the rest of the world.

So far as these Ottawa agreements are concerned, this was not merely an effort to further a policy of economic nationalism for Canada but from the point of view of the Prime Minister it was economic imperialism as well. If he had his way we would have tariffs so high there would be relatively speaking no trade with any other part of the world. It is a very different matter to make your tariff arrangements within your own empire in a way which the nations of the world generally will recognize is right and proper as between members of a great commonwealth from effecting this result in a way which nations generally resent, and which causes them not to hesitate to show their resentment when it comes to their subsequent dealings with your country. That, may I again say, is the real basis of our objections to these agreements. Obviously there is a distinct line of demarcation. Let me repeat: It is not that we are opposed to an agreement with Britain; we have never at any time been opposed to agreements, but we are opposed to a wrong method of negotiation; we are opposed to wrong principles governing, and we are opposed in the negotiations to false actions—actions that are detrimental to our own trade.

What was bound to be the effect of these agreements once they were entered into on the basis insisted upon by the Prime Minister of Canada? It is well known what took place in Ottawa; it is well known that the British delegation were told pretty plainly that they would either negotiate on his basis or there would be no negotiations at all.

Some hon. MEMBERS: Hear, hear.

Mr. MACKENZIE KING: Yes; hon. gentlemen opposite applaud that attitude and yet regard themselves as the great upholders of the empire. It was not a matter of any consequence to them or to him whether a greater question might be raised within the empire which might serve to create internal dissension of a very far-reaching character or whether there should have been an endeavour to keep all parts of the empire as nearly in unity as it was possible to have them. Once the line insisted upon by the Prime Minister was taken, we began to have the inimical effects of the Ottawa agreements. We have listened this afternoon and evening to one or two speakers, the mover of the resolution in particular, telling how the agreements had

operated with respect to one or two industries. May I repeat: we have no evidence that these industries would not have been as well off without the agreements as with them. It would be a surprise to me if agreements of the kind did not give some particular advantage to certain specially favoured industries, but the kind of agreements that Canada needs to-day are not those that are going to work to the benefit of a few privileged interests in one section of Canada, but those that will do justice to all classes in all parts of the country.

The first consideration in this country with respect to every agreement should be its effect upon consumers and producers. May I now pause to show how these agreements have operated with respect to consumers and producers. In this connection I had better at once make clear why, on the basis of the policies which we on this side are upholding in very definite terms, we cannot support these agreements in the terms in which they at present stand. I have said that these agreements are founded on a policy of protection, not of ordinary or moderate protection but of extraordinary, high protection. With what consequence? With the consequence that as a party we have felt that if this country is to be saved and brought out of the depression at all, those high tariff policies will have to go. What has made them more restrictive than ever has been in the manner in which they have been and are administered. So we have laid down the following as our policy in matters of trade:

The Liberal party believes that trade is the basis of industrial and commercial development, and that Canada needs trade.

It will promote trade with all nations and negotiate trade agreements with any country willing to trade with Canada on a reciprocal basis.

It will abolish the extravagant increases in the tariff made by the present administration which have had the effect of strangling trade, exploiting consumers and robbing our railways of business.

It will abolish all unwarranted extra taxes on imports, such as the exchange and dumping duties, as imposed by the present administration.

It will end the making and altering of tariffs by executive action.

It will substitute stability for uncertainty in the administration of customs laws.

It will continue the Liberal policy of the British preference by a percentage reduction in existing tariffs rather than by a percentage increase against foreign countries in existing tariffs.

It will grant to British imports a real preference.

Every one of those statements of policy has a bearing upon these trade agreements and we cannot accept these agreements in the form in which they are at the present time without stultifying ourselves with respect to every one of the declarations therein made. Let me direct attention to just one or two of them again:

It—

That is the Liberal party.

—will promote trade with all nations and negotiate trade agreements with any country willing to trade with Canada on a reciprocal basis.

Mr. COTNAM: More hot air.

Mr. MACKENZIE KING: I think the hon. gentleman who interrupted had the floor pretty much to himself yesterday. I sat here for an hour and listened to him read his speech from beginning to end and never uttered a word.

Mr. COTNAM: Just the instructions the right hon. gentleman gave his chief whip. I watched my right hon. friend yesterday.

Mr. MACKENZIE KING: I appeal to you, Mr. Speaker, to see that my hon. friend keeps his interruptions to himself.

Mr. COTNAM: Just the way the right hon. gentleman did.

Mr. MACKENZIE KING: May I, as I have said, draw attention first of all to the clause in our declaration that the Liberal party seeks to develop trade with all countries of the world. Therein lies one of the fundamental objections to the present agreements with Britain as they stand, that they make more difficult the negotiation of agreements with other countries. I have to pause here to explain one of the subtle things about these Ottawa agreements, something that is perhaps not so apparent but to which notice was drawn at the time we were objecting to them. It is this: that in addition to raising the tariff in the Ottawa agreements, the tariff was so changed as to do away with advantages which had previously obtained in this country under the intermediate tariffs framed as such with the express purpose of affording facilities in the matter of tariff negotiations with other countries. We have had in Canada and we have to-day three tariffs, the general tariff, the intermediate tariff and the British

preferential tariff. The intermediate tariff is in some particulars lower than the general, but it is not as low as the British preferential. The principle that underlies these three tariffs is that of giving our main preference to Britain, but giving certain advantages to other countries that are prepared to give us reciprocal advantages, and withholding these advantages from countries which are not prepared to deal with us in a reciprocal way. When the Ottawa agreements were entered into the intermediate tariff was completely changed. It was raised in many cases to the level of the general tariff, so that what there was in the way of bargaining power to effect reciprocal agreements with other countries was in large measure swept away. That was a distinct loss, and it is something of which we cannot and do not approve. We say that as a result it has been more difficult to negotiate agreements with other countries than would otherwise have been the case. Obviously what has most of all made it difficult to negotiate agreements is the height to which we have put our own tariff and the unwillingness of the government to lower tariffs at all. We on this side of the house favour trade with all countries, believing as well that the more trade this country can secure the stronger it will become as one of the nations of the British empire, and the better will be its position to trade with Great Britain itself.

I have read the reference to the abolition of unwarranted extra tariffs on imports such as exchange and dumping duties as imposed by the present administration. I noticed that the Prime Minister the other day asked if we were in favour of dumping duties and exchange duties, and if we were, did we propose to abolish them. This does not say that we propose the abolition of all exchange and dumping duties; it says we propose to abolish all unwarranted extra taxes on imports, such as the exchange and dumping duties as imposed by the present administration. That is a very different thing from these particular duties as imposed under the previous Liberal administration.

Another feature of the administration of these Ottawa agreements has been, as I have said already, the making of tariffs by executive action and the instability that has resulted. I wonder if it is not apparent to everyone that next to the tariffs themselves the trade of this country has been more affected by the uncertainty of the tariff and its administration than by any other single factor. Trade depends upon importers and exporters. Go in any direction you like and ask the importers of this country what they think the effect of the Ottawa agreements and their administration has been, and they will tell you that the whole business of importing has been so uncertain that they have not dared to venture to try to carry on business to any considerable extent. They have never known whether between the time the goods were ordered and the time of their arrival some unforeseen change would be made in the tariff or in regulations respecting it. Take the situation at the present time; the Prime Minister has indicated that he is going to have further changes; importers see him taking one leaf after another out of the Liberal book, and they think that before this session is over he may go in for lower tariffs and further changes in that direction, with the result that importers to-day because of continuing uncertainty are not prepared to carry on trade to any extent, and in consequence business suffers. That has been the condition ever since these agreements have come into force. We used to hear a great deal about the advantages of stability in the matter of tariffs, but instability has been the essence of the whole situation since hon. gentlemen opposite took office, and more particularly so since the empire trade agreements went into effect.

The other day the Prime Minister said a word about the change there had been in the wording of Liberal policy with respect to the preference that the Liberal party was prepared to offer to Great Britain. He said that we had at one time said we would give fifty per cent preference and that now we say "substantial." Substantial is equivalent to real; both words I think are used interchangeably.

Mr. BENNETT: Fifty per cent.

Mr. MACKENZIE KING: My right hon. friend said we said fifty per cent at the outset, and that now we have changed it to "substantial." May I give the reason? It is very obvious. The whole situation in regard to trade between Canada and Great Britain and the rest of the world has been completely altered as a result of the Ottawa agreements. What might have been an appropriate preference to Great Britain at a time when relatively speaking she had no protective tariff at all, would not be appropriate now that she is a protectionist country. Whether the preferences to be given will be fifty per cent or less or more will now necessarily depend upon negotiations between the two countries. But a policy to give a real and substantial preference remains fundamentally what it has been from the start. The exact extent of the preference will depend upon the circum-

stances as they exist when the opportunity for further negotiations may present itself.

I said we would abolish the extravagant increases in the tariff made by the present administration, which have had the effect of strangling trade, exploiting the consumers and robbing the railways of business. Let me give an example of the extent to which the consumers have been affected by the Ottawa agreements, and the way in which they have been administered. I cannot begin to go over the list in detail, but I can take one or two commodities that will serve as examples. I will give the present cost of landing a shipment from the United Kingdom based on the rates charged since the agreements came into force in comparison with those charged under the previous administration. As I have said, there are such variations in the administration of the tariff, in the different taxes imposed and the way in which they are administered, that no statement can be made of them as on any one day which with certainty will be applicable a few months later; consequently I have to point out the time for which this compilation was made. This is the situation as it was in November, 1933, about fourteen months ago, and about fourteen months after the agreements came into effect. It will show at a glance just what the effect of these Ottawa agreements has been as far as consumers are concerned. Remember that what affects consumers affects producers as well, because these things all enter into the cost of living and the cost of production. The figures follow:

Commodity	Cost landed under Liberals in percentage	Conservatives
Dyed or printed cotton fabric	19.18	34.
White cotton	16.15	34.
Wool piece fabrics	26.	41.50
Wool overcoatings	26.	65.75
High grade wool suitings	26.	44.
Cheaper grade wool suitings	26.	51.25
Wool hosiery (depending on value)	19.18 to 26.	56.50
Wool blankets, household	21.45	50.75
Axminster carpets	23.75	55.50

Looking at it in another way we may see what this amounts to expressed in terms of dollars, not percentage. Here are nine items. Assume we were importing $1,000 worth of each, bringing the total bill to $9,000; what is the result?

Commodity	Invoice	Cost landed under Liberals	Conservatives
Dyed or printed cotton fabric	$1,000	$ 191 80	$ 340 00
White cotton flannelette	1,000	161 50	340 00
Wool piece fabrics	1,000	260 00	415 00
Wool overcoatings, not less than 18 ozs. sq. yd.	1,000	260 00	657 50
Wool high grade suitings	1,000	260 00	440 00
Wool suitings, cheaper grade	1,000	260 00	512 50
Wool hosiery	1,000	191 80 to 260 00	565 00
Wool blankets, household	1,000	214 50	507 50
Axminster carpets	1,000	237 50	555 00
Total	$9,000	$2,037 10 to 2,105 40	$4,332 50

It may be claimed by hon. members opposite that these imposts helped to raise revenue, but as a matter of fact the duties have been so high that goods have not been coming in; customs duties have fallen off very considerably, and the country has lost revenue. So the producers of these commodities, who formerly had a fairly good time of it and who carried on their businesses quite well, have been put in the position of being able to raise their prices to a level that would meet this importing rate; the consumer has had to carry that, and in addition he has had to raise the taxes to make up the revenues necessary for the conduct of the business of the country. So we begin to see something of the burdens that are on the backs of the people of this country as a consequence of these agreements. What that has meant to trade and to our railways

and shipping is only too apparent, and these are some of the reasons why this depression has continued for so many years.

But there is something especially interesting and significant about this matter when one comes to compare the cost of landing these different products, as it was immediately after the present government came into office, with what it had become at the time of the Ottawa agreements, and with what it has become since. I must say that I cannot help but believe there was something in the nature of design in the very high tariffs which were put on at the outset, a design which discloses an intention to see trade brought to as low a level as possible as quickly as possible, so that when we were half way through this parliament there might be a chance to revive trade simply by lifting some of the most obvious of the restrictions. Let us see how that works. Take the fluctuation in the duties on wool overcoating fabric. Prior to September 16, 1930, the total duties and taxes amounted to 26 per cent. After June 2, 1931, they were up to 70½ per cent. After April 7, 1932, which was just before the conference, they were up to 113½ per cent. After October 13, 1932, the conference having come in just between, they were 100 per cent. After April, 1933, they were 83¾ per cent, and after September 20, 1933, they were 67¼ per cent. These figures include customs duties, excise tax, sales tax and dump duties as they have been in force at the different dates given. There is the reason for the unemployment we have had for so long in this country; the tariffs have been so arranged, so added to, so manipulated, so carried along and administered, that with respect to many commodities trade was practically brought to a standstill during 1932. Since then—not by changes that resulted from the Ottawa agreements but by other changes made by the government—some of these restrictions have been removed, and trade has begun to respond. The government claims that this response is due to the Ottawa agreements, I say that the response is due to the removal of some restrictions which never, at any time, needed to be imposed, under the Ottawa agreements or any others.

Now let us take the fluctuations with regard to wool blankets from Great Britain; let us see how those work out. Prior to September 16, 1930, total duties and taxes amounted to 21¼ per cent. After June 2, 1931, they were 60¾ per cent. After April 7, 1932, they were 100¾ per cent. After October 13, 1932, they were 77¾ per cent. After March 22, 1933, they were 64¼ per cent, and after September 20, 1933, they totalled 52 per cent. It is observable again that during 1932 the total duties and taxes were higher than they had been at any other time, and the inevitable result was a period of acute depression.

Before I leave that point let me just direct attention to the difference in the total duties and taxes on wool overcoating fabric as between September 16, 1930, and September 20, 1933. In the former case they totalled 26 per cent; in the latter case they were 67¼ per cent, which represented the lowest point under this administration. Then with regard to wool blankets from Great Britain the total duties and taxes up to September 16, 1930, amounted to 21¼ per cent. After September 20, 1932, the lowest point they reached under this administration, then amounted to 52 per cent. That is the effect of the excessive tariff, in large part, and the way in which the agreements have been administered. As I have said, this is only an indication of what has been true with respect to a very large number of commodities. Consumers and producers in this country have been adversely affected, and that effect has extended to all those engaged in or dependent upon trade in any way.

That covers all I shall attempt to say in detail in connection with specific features. I should like now to mention another reason why we have been opposed to the agreements.

I have said that the Ottawa agreements have made trade negotiations with other countries more difficult. We all know that this government has been trying to effect agreements with other countries. We were told by the Prime Minister a day or two ago that negotiations are to be carried on now with regard to reciprocity; we have hon. gentlemen opposite admitting at last that reciprocal trade with the United States is a desirable and a good thing. At the time of the Ottawa conference, if I am not mistaken, the British delegates were told pretty plainly that if they did not come across in the way this government wished, trade would be speedily turned in the direction of the United States instead of in the direction of Great Britain.

Mr. BENNETT: I am not interrupting, but that is an incorrect statement, and I must at once nail it as being untrue.

Mr. MACKENZIE KING: I am very much obliged to the Prime Minister for so saying, but the impression was pretty general at the time as to what was the basis on which some of the negotiations were effected. The point that I was discussing, however, was the effect of the agreements on negotiations with other

countries. I said that hon. gentlemen opposite now are speaking of reciprocity with the United States, and a day or two ago the Prime Minister said negotiations were about to commence. We know, as a matter of fact, that negotiations commenced two years ago; I wonder if the Prime Minister will say I am wrong in that. They have not just commenced.

Mr. BENNETT: I will say that is not a correct statement of what I said.

Mr. MACKENZIE KING: I am not saying what the Prime Minister—

Mr. BENNETT: I do not desire to interrupt, but the hon. gentleman said I said negotiations were about to begin and they had begun two years ago. If you will read the records you will find that is not correct.

Mr. MACKENZIE KING: I did not say that. I said the Prime Minister had said it was within the last few days negotiations were being begun, and I was saying that there was good reason to believe they had begun two years ago. Does the Prime Minister say that is not correct, and that they were not begun two years ago?

Mr. BENNETT: The Prime Minister will answer the question, since the right hon. gentleman has made a statement which is not according to the record. In June, 1934, which was a little over six months ago, the congress of the United States passed an act which authorized the president to carry out negotiations that are now being carried out.

Mr. MACKENZIE KING: 1934?

Mr. BENNETT: Six months ago.

Mr. MACKENZIE KING: And this is 1935.

Mr. BENNETT: Six months ago.

Mr. MACKENZIE KING: That is exactly what I say.

Some hon. MEMBERS: Oh, oh.

Mr. MACKENZIE KING: It is exactly what I say, that the Prime Minister said negotiations for reciprocity had begun six months ago. That is surely clear.

Mr. BENNETT: The right hon. gentleman must not say that, because I did not say that. Cannot the right hon. gentleman repeat what I said? I did not mention the word "reciprocity;" I said "trade agreement."

Some hon. MEMBERS: Oh, oh.

Mr. MACKENZIE KING: My point is not in reference to the particular phrase, whether it be "trade agreement" or "reciprocity." My point is as to when negotiations for better trade arrangements with the United States began, and the Prime Minister —if I have him right at last—has indicated six months ago.

Mr. BENNETT: I did not say that, even. What is the matter with the right hon. gentleman, that he will persist, not only in this house but outside of it, in changing what I say?

Mr. MACKENZIE KING: The record is there.

Mr. BENNETT: No, the record is not there. The record as it is made the right hon. gentleman changes—in Hansard, when I am not present, he does it. He proceeds to say what I did not say at all. I said that the president of the United States had no authority until June, 1934. That is what I desire to say—when the act of congress was passed. That is what I desire to make clear.

Mr. MACKENZIE KING: I will not take up the time at the moment to discuss with the Prime Minister the question of changes. I say the record in Hansard will show what I am saying now, namely that the Prime Minister has intimated to this house that negotiations with respect to trade arrangements with the United States had taken place within the last six months. I am not trying to misrepresent the Prime Minister. I am trying to say what my understanding of his statement is. I think I am correct in that statement. I say we have it on very good authority that it is not six months ago, but that it is two years ago that these negotiations were going on. We know very well why the negotiations have not succeeded. The reason is that every time there has been an attempt to negotiate with the United States these Ottawa agreements have stood in the way. It has been impossible to make any real agreement or to reach any negotiations —by the way, they have not been reached yet—until it was seen what could be done by way of further modification of these agreements. I will venture to say this, that before this house will see any agreement with the United States we will find further changes in these Ottawa trade pacts which will help to make negotiations possible. I shall name my authority. It is the member of the ministry of my right hon. friend who has been advising the country of what has taken place. I refer to the Minister of Trade and Commerce (Mr. Hanson) who has just spoken.

Speaking at London, Ontario, on January 28, just three nights ago, he said as reported by the Canadian Press:

Negotiations had been going on between Canada and the United States for two years, the minister told—

Some hon. MEMBERS: Oh, oh.

Mr. MACKENZIE KING:—

—for two years, the minister told the annual meeting of the London Liberal-Conservative Association, and he was convinced there was a wide variety of commodities on which reciprocal preference arrangements could be made.

I am sorry if I used the word "reciprocity" or "reciprocal." That may not have been permissible, but the minister gave me a pretty good lead. I repeat: It is an open secret that the reason an agreement has not been reached before this is the fact that the Ottawa agreements have stood in the way, and they have stood in the way of agreements with other countries. They will continue to stand in the way until those agreements are materially changed.

While I have in my hand the report of the address by the Minister of Trade and Commerce may I read what he said in reference to myself? I quote:

Mr. King had declined to take reciprocal action at that time—

Referring to arrangements with the United States.

—for fear of being provocative, the minister said. "This was the attitude of a traitor."

Mr. HANSON (York-Sunbury): I do not think I said that.

Mr. MACKENZIE KING: Here it is, in quotation marks.

Mr. HANSON (York-Sunbury): I deny ever saying that.

Mr. MACKENZIE KING: I am pleased the minister denies it, because I must confess I was surprised when I saw it. The dispatch appears in the Montreal Gazette of January 29, and is reported by the Canadian Press. Dated at London, Ontario, January 28, the paragraph reads:

Mr. King had declined to take reciprocal action at that time for fear of being provocative, the minister said.

And then in quotation marks:

"This was the attitude of a traitor."

Mr. HANSON (York-Sunbury): I deny the use of that language.

Mr. MACKENZIE KING: I am pleased to have the minister state he did not use that language, and I accept his statement. I must confess I was a little suprised when I saw it coming from him, especially after the words of greeting and good wishes I had extended to him in his new office only a few days previously.

I shall leave the question of the effect the trade agreements have had upon negotiations with other countries, but I wish to point out that is another reason why we cannot accept the Ottawa agreements in the form in which they stand.

One of the other main objections to the agreement—and this is another fundamental objection—is that they restrict the fiscal freedom of this parliament. That is a fundamental reason for our objection to them. As long as agreements exist which deprive this House of Commons of its freedom to deal with our fiscal policy as we think best, and as the people of the country consider best, so long will any such agreements not meet the wishes and opinions of hon. gentlemen on this side of the house. Agreements can be and in the past have been drawn which leave parliament perfectly free in the matter of the alteration of the tariff. But as hon. members are well aware these Ottawa agreements peg the tariff at a certain figure, with respect to a large number of items.

When a government seeks to bind parliament for a period of years to a certain tariff it is imposing a tax over the period of time for which that agreement stands. A government so long as it is in office may if it wishes enter into a contract, and having made the contract is in duty bound to stand by it, but it cannot bind its sucessors with respect to their rights in the matter of taxation. No government worthy of being described as a British government, in the true sense, has ever attempted to do anything of the kind. On behalf of the Liberal party I have taken very strong exception to those features of the Ottawa tariff agreement, not merely to the feature which with respect to some commodities pegged the tariff at a particular height but also to the feature which bound us for a period of years to maintain certain rates of tariff. I have said that was alienating the authority and control of parliament over fiscal policy, over taxation, over tariff, and that the Liberal party would not support a principle of the kind. I do not think it was a necessary course to follow, but it has been done, and has been done in order to rivet protection on this country, whether or not a government may be returned to power by a people who have been aroused in their indignation against the excessive protection to which they have been subjected. That feature of these agreements cannot be permitted to

remain as it is if another Liberal administration comes into office. The fiscal freedom of this parliament will have to be restored, and I do not think that any British government will take exception to an attitude of the kind. I say that because the British government have admitted that such is the right of any political party with respect to agreements to which they have not been parties.

The Prime Minister said when I mentioned this subject before: "What about the agreement your government entered into with the West Indies? What about the agreement you entered into with France"? I think I pointed out that there is a great difference between an agreement which lessens taxation and lowers tariffs and one which raises both. May I point out this further fact? There is a great difference between an agreement to which all parties in the house at the time it is presented to the house for acceptance are agreed, and an agreement to which exception is taken from the moment of its introduction. There is a difference between an agreement entered into with the West Indies or with France that met with no opposition from the opposition of the day, and these Ottawa agreements. All parties in the house supported the agreement with the West Indies and with France, and as such all were under an obligation to maintain them when they were in office. There may have been a discussion of features of them, but as for a division on them I do not recall any. But, at any rate, if there has been opposition to any agreement the position we take on this side is that the party that has opposed that agreement is at perfect liberty, when it comes into office, to alter that agreement if it so desires, having made its position one of record. But that is a very different position from that which hon. gentlemen opposite are taking with respect to these Ottawa agreements, it is that they must be maintained regardless altogether of the heights to which they have raised tariffs and taxation and the time for which they bind the country. I made the position of the Liberal party on that matter very clear at the time the agreements themselves were being discussed.

Here I wish to draw attention to what the Minister of Trade and Commerce said in the course of his remarks to-night, namely, that I had at a recent meeting of the National Liberal Federation completely changed my attitude with respect to the Ottawa agreements. I have changed nothing in any particular with respect to my attitude toward the Ottawa agreements from the time of their introduction and as I have presented my opposition to them ever since. My attitude remains to-day what it was at the beginning; what I then stated in the house was the attitude which I took towards them. It was stated specifically with regard to this feature in particular, namely, the question of the binding nature of these agreements as they would be viewed by the Liberal party if it came into office.

I know hon. gentlemen opposite have been saying all over the country: Mr. King has said that if he was returned to power he would cancel the agreements. I have said nothing of the kind.

Some hon. MEMBERS: Oh, oh.

Mr. MACKENZIE KING: Some hon. gentlemen say, "oh, oh," but I challenge them to show me where I have. I ask them to point to a single instance in which I have made any statement of the kind. I have never at any time, either in this House of Commons or speaking on a public platform, said that if the Liberal party came into office they would immediately cancel these agreements. I have said in this house very clearly that if we came into office there were certain features we would wish to change, and we would reserve the right to cancel the agreements if we wished. But to reserve the right to take a certain step is very different from saying that we would cancel the agreements. May I make clear exactly what I did say? —for I have the record from Hansard here. If hon. members will look at Hansard of November 7, 1932, page 963, they will find that what I said was this:

> I wish to say that I think the parliament of Canada should be free at all times to alter its tariff in any respect that it desires, and that we should not bind ourselves to maintain a certain tariff rate, even if it is fixed only so as to continue a margin of preference; but subsequent parliaments or the same parliament, at subsequent sessions, should at all times be free to alter rates of duty in any and every particular.

That is the statement that I made at the time with respect to these agreements. It is the statement which I adhere to at the present time, and it is going to be the position of the Liberal party so long as I am honoured with its confidence in the matter of its leadership.

May I give another quotation which will make it perfectly clear what was in my mind at the time I was speaking, and has been in my mind all along. It will be found at page 1049 of Hansard of November 8, 1932, and it was apropos the statement which was made by the government at the time these agree-

ments were brought in, namely, that they were ironclad agreements. We were told at the outset that we had to support them as they stood, that we could not make a change in any item. That is why we opposed them so strongly at the outset. We were asked to accept the whole of them without a change, and to do a thing that was not done in the British parliament, namely, to accept the agreements and change the tariff by those agreements before the tariff itself had first been altered after consideration by this house in committee of the whole. We took our stand very definitely. I pointed out that in Great Britain the British government dealt very differently with the House of Commons. The British government did not seek to maintain that it was the duty of an opposition that was opposed to the agreements to continue the agreements indefinitely and without any change when they came into power. What the British government said emphatically was that the obligation was upon the party that made the agreement to continue it as long as it remained in office, but that a party that had opposed it had always the freedom to make any change it might wish in regard to a matter which was contrary to its principles. Here is what I said at page 1049 of Hansard of November 8, 1932:

> May I say to the Prime Minister that I cannot understand why he or his colleague, the Minister of Finance, cannot be just as frank with this House of Commons as the Chancellor of Exchequer and the Financial Secretary in England were with the British House of Commons. The statement was made quite frankly in England that, so far as the government of the day in that country having been a party to the making of it they will feel themselves in honour bound to carry out the agreement. They have said, however, and have made it quite clear, that the House of Commons is free at all times to change duties if it so wishes, and that it cannot be bound legally or constitutionally to maintain any tariff or tariffs of any particular level. When the Chancellor of the Exchequer in England says that Great Britain is bound for five years only in that sense, I say the Prime Minister or the Minister of Finance should declare to this house that we are bound only to the same extent as Great Britain is. This parliament is perfectly free at all times to alter any duties that it may think it advisable to alter. As I repeatedly have said, if any time we should be in office and decide that it is desirable in the interests of the country, and in accordance with the wish of the people of this country, that tariff schedules should be changed, we shall consider ourselves free as those who believe in freedom in the matter of fiscal policy, to make such changes in the tariff of this country as we may think necessary. I want to make that very clear, so that there may be no mistake about it now or at any time in the future.

[Mr. Mackenzie King.]

That was the position that I took. I reserved to this party, should we come into office—and I was making the reservation clear at the beginning—the right to alter any feature of these agreements that we might think desirable. We were not binding ourselves to accept the agreement in the form in which it was drafted but reserved to ourselves the right to make such changes as we wished.

I want to make perfectly clear, Mr. Speaker, what I said at the meeting of the National Liberal Federation, and it indicates what I had in mind at the time I made those statements. If the Liberal administration should be returned to power in the next general election and we have to consider the matter of these tariffs, I do not propose to act towards Great Britain in the manner in which the Prime Minister of Canada acted when he came into office. I do not propose to go to any conference or to any meeting of ministers in England, or to have any ministers of the crown that may be in the cabinet of the day go to any gathering in England and threaten and bully the British people with regard to what is a matter of their concern, when I am trying to make an agreement that will be of mutual benefit to both sides of the empire. I would deal with the British government as I would expect English gentlemen would deal with Canadian ministers of the crown in matters of this kind. I would indicate that so far as these agreements are concerned there are features that are not satisfactory to the Liberal party in Canada; that we should like these objectionable features to be altered, and that we believe the agreements as they stand are not approved by the people of Canada. The fact that we would be in office would be an evidence that they were not approved, and therefore we would wish to negotiate a modification of the agreements in certain particulars. If we could get a modification of the agreements in a manner that would serve the interests of this country and be mutually beneficial, then the agreements as modified would be continued for the period for which they have been drawn. If we could not get these modifications, if we could not get the obvious changes in the agreements which we believe the Canadian people wish to have made, then we would reserve to ourselves the right to say whether we would forthwith cancel these agreements in whole or in part or whether we would allow them to run for the remainder of the time and not carry them on for a further period.

I am making no threats; I am simply indicating the position which I believe is the sound one for any administration to take.

And may I say that if a Liberal administration should be returned to office one of the very first things that would be done would be to get into communication with the British government with respect to what we believe to be necessary modifications in the agreements, on the understanding that there are certain features relating to the tariff which we would wish to have changed in this country, pointing out particularly that we desire to have the fiscal freedom of this parliament maintained. And, as I have said, if as a result of the negotiations we could bring the agreements into conformity with the will and wishes of the people of the country, then, as modified, they would be continued. But if we could not effect a change of that kind then it would be time to decide what further step might be necessary with respect to them.

That is the position I have taken from the start and it is the position which I take now and shall continue to take for the time it may be necessary to speak in public further on these matters. I have every reason in making that statement to believe that the British government will welcome opportunities to modify these agreements. I believe that in all parts of the empire there is a very keen desire to have the agreements quite materially changed. Let me direct the attention of hon. members to what has appeared within the last few days in a despatch to Ottawa as the result of a visit of Premier MacDonald's son to Australia and what he said on his return. I quote from the Montreal Star of January 24 the following:

> Attempt to modify Ottawa pacts seen Malcolm MacDonald back from Antipodes visit
>
> London, January 24—(C.P. Cable).—Reports last night indicate that Malcolm MacDonald, British Under-Secretary of State, may urge modification of the intra-empire trade agreements reached at Ottawa in 1932, following a visit to Australia. Mr. MacDonald, son of the premier, returned from Australia last night following informal talks regarding the trade agreements and completion of a report on emigration. The only source of information, which came from competent circles, said that the under-secretary had become convinced of the necessity for changes during unofficial talks with Australian business and political leaders.

Now everyone knows how these agreements are viewed in Australia. I wonder whether hon. gentlemen have seen a petition presented recently in the House of Lords from western Australia praying to be permitted to withdraw altogether from the Australian commonwealth in consequence of the manner in which the agrarian interests of Australia have suffered from these agreements. In December last a delegation went from western Australia to Britain to present a petition to the British parliament, and it was tabled in the House of Lords on December 18, praying for legislation by the British parliament which would restore western Australia to its former status as a separate and distinct self governing colony in the British empire. What reason did they give, among other things? Let me quote from the petition:

> In consequence of the burden of the federal tariff the economic structure of western Australia has already become seriously jeopardized and with the continuance of such burden the state of Western Australia, the primary producers, and the people of that state are faced inevitably with national bankruptcy and ruin.
>
> The only effective means whereby the people and the state of Western Australia can be relieved from the said burden, and the said wrong can be removed, is the withdrawal of the people of the state of Western Australia from the Commonwealth of Australia and the restoration of Western Australia to its former status as a separate and distinct self-governing colony in the British Empire.

I have nothing to say regarding the effect of the presentation of that petition; I merely direct attention to the effect which has been produced in Australia as a result of high tariffs which have served possibly certain protected interests but which have made the lot of the agrarian classes in that country such that they would prefer to withdraw altogether from the Australian commonwealth. And now may I ask hon. gentlemen whether they think tariff agreements that bring about that kind of sectional difference in a country help either the country or the British empire.

Mr. BENNETT: It has no reference to the Ottawa agreements.

Mr. MACKENZIE KING: But tariffs are fixed by the agreements.

Mr. BENNETT: Not at all.

Mr. MACKENZIE KING: They relate to the tariffs. But I leave Australia and come to Canada, and I say that the way in which my right hon. friend has raised the tariffs in this country, and what he has done under the Ottawa agreements, has gone further in helping to create sectional differences in this country than anything that has happened in many a day past. We have at the present time the maritime provinces drawing attention to the manner in which their rights are being affected as a result of the economic conditions arising from tariff matters, and we have western Canada in a similar position. My right hon. friend knows very well that while these tariffs may serve the interests of a few privileged groups here and there,

so far as the great primary producers are concerned they suffer very considerably under them.

Mr. BENNETT: The right hon. gentleman said a few moments ago that he trusted that I would direct his attention to any misstatements. May I point out that both these commissions are sitting under arrangements made originally by the right hon. gentleman.

Mr. MACKENZIE KING: That may be so, but they are dealing with conditions that have come about under the administration of my right hon. friend, and they are pretty emphatic in what they have to say touching these matters.

I will conclude with this word. My right hon. friend has said that there is an impression in England that has been created there against these Ottawa agreements which is affecting some of those traders who are seeking to further their business interests in London. I think he intimated that there were certain of them who were representing, or had represented that what the Liberal party had been saying about the agreements in Canada was perhaps correct, and that the British people had formed the impression that possibly after all these agreements were not so popular in Canada. May I say to my right hon. friend that the impression that has been created in Britain with regard to these agreements began first of all when Englishmen were here as delegates during the period of the negotiations. That was the first impression. But the impression that has been deepest of all has been that created by the by-elections in this country which have taken place since the agreements went into effect; and if the Ottawa agreements are to-day regarded in England as not being popular in Canada it is because the British government and the British people have recognized that every by-election that has been fought on them since the agreements went into force has resulted in a victory for those who oppose them.

Mr. J. H. MYERS (Queens): I have listened with more than the usual amount of interest to the discussion which has taken place to-day on this all-important resolution moved by the hon. member for Toronto-Scarborough (Mr. Harris). It is not necessary to read the resolution; it states simply that the result of the Ottawa trade agreements merits the approval of this house. The resolution might very well have gone a little further than that; it might have said that it merited the approval of the people and especially of the farmers of the Dominion of Canada. My chief reason for taking part in this debate is the fact that while these agreements have perhaps been more beneficial to the farmers of the dominion than to anybody else, not a single farmer in this chamber has to-day been bold enough to raise his voice in defence of them. I hope however before this debate concludes that we shall hear from farmers on both sides of the house because I would at least express the hope that among hon. gentlemen opposite there are some farmers who have a proper sense of justice and can see what a benefit these agreements have been to the farming industry of Canada.

I was particularly amused to-night, more so perhaps than on previous occasions when he has spoken, at the speech of the leader of the opposition (Mr. Mackenzie King). His speeches always amuse me; they are in themselves so contradictory, but he excelled himself to-night in the contradictions that were contained in his address.

An hon. MEMBER: Oh, oh.

Mr. MYERS: If the hon. member followed his leader's address as closely as I did, this would be very apparent to him. It was so apparent to me that I was forced to the conclusion that the leader of the opposition is in himself a huge contradiction. He went on to tell us how as a result of the Ottawa agreements trade in Canada had shrunk; that merchants, traders and business men throughout the country by reason of the changes in the tariff—and he was speaking of the Ottawa agreements—were refusing or neglecting or fearful to enter into business contracts in the ordinary business way. Further, he went on to prove what a loss the agreements had caused to the railways and shipping, the carrying trades of the dominion. This evening the Minister of Trade and Commerce (Mr. Hanson) showed us, so clearly that anyone, the dullest, could understand, figures to prove the increase in trade that had taken place by reason of the Ottawa agreements between Canada and the other British dominions. The leader of the opposition, in an effort to contradict the minister, while admitting that the figures given by the minister were quite correct—he did not attempt to deny them—quoted an elaborate table of figures to show that the trade and commerce of Canada with other countries, and particularly with the United States, had increased by leaps and bounds, especially within the last twelve months. That in itself was, to my mind, a huge contradiction.

We know now just where the leader of the opposition stands. He went over to the old

country this year to try to get his ear to the ground and to find out how the people there felt regarding these agreements. If I remember rightly, from a reading of the newspapers after he returned I would gather that he was still opposed to the Ottawa agreements; that the people of the old country were opposed to them, and that he intended to carry on his opposition. Later on in the fall of the year when he met his supporters in conference in this city to talk over some organization matters and their tactics with reference to the present session of parliament, he apparently had modified his views, and I was led to believe, at least by press reports, that he was now in accord with the Ottawa trade agreements. However, I always doubted that. I remember very well the long drawn out debates on this question during the session of 1932 when we met here to ratify the agreements. I remember very well the undying, persistent opposition that these trade agreements met with at the hands of the leader of the opposition. So when I read in the newspapers that he was coming round and beginning to favour the agreements, I always had my doubts in the matter. My doubts however are completely swept away to-night. So far as I am concerned, the leader of the opposition to-night is just where he was in 1932. He is heartily opposed to the Ottawa agreements. He seems to be opposed to the farmers of this dominion being given a fair chance at all with reference to their own business.

Then he goes on to tell us what the Liberal party will do when, as he says, it is returned to power, which heaven forbid! I have my doubts whether the intelligent electrrate of Canada will again place their business affairs in the hands of the leader of the opposition. But he waxes very eloquent when he says with reference to these agreements: "When we are returned to power we will reserve the right to change, modify or, if we see fit, to cancel the Ottawa agreements." If by any chance the leader of the opposition should succeed in coming back to power he would not need to reserve the right to do anything with reference to these or any other agreements; the majority that he would then have in parliament would give him the right without any reservations whatever.

The leader of the opposition also referred to something else. He was speaking, I think, in connection with the dissension that is now apparent between the two sections of Australia. Well, I have read a good deal about that and so far as I have been able to gather I have never understood that the desire on the part of western Australia to draw away from the rest of the Australian commonwealth had anything to do with the Ottawa trade agreements, or, in fact, with the fiscal policy of Australia. As I have read, it is purely a matter of distance between the two sections of Australia, which are very widely separated. Of course the Prime Minister checked him up on that and he dropped it quickly. Then the hon. gentleman went on to speak of some dissensions that were now taking place in Canada. He mentioned a royal commission that is sitting to adjudicate upon or to try to harmonize the differences existing between the maritime provinces and the dominion. Let me say that that commission is necessitated by reason of the fact that the leader of the opposition failed miserably when his party was in power to implement the findings of the Duncan commission appointed by them to settle the differences between the maritime provinces and the rest of the dominion. We in the maritime provinces had to wait nine years, until the Conservative party came into power, before we succeeded in getting our rights in this regard. The present government and the present Prime Minister gave us this royal commission to settle these claims.

Now as a farmer—and I assume I have as much right to speak from the standpoint of a farmer as any other hon. member in this chamber; my right in that regard has never been challenged—let me say a word with reference to the British preference. The British preference is an old question in Canada. I believe it was first put on the statute books by Sir Wilfrid Laurier's government many years ago. It is possible that Sir Wilfrid Laurier had a different idea regarding the British preference from that which obtained later. As a farmer I have given a good deal of thought and study to this question. I do not believe that there is a man in this chamber to-night who holds stronger views with reference to Great Britain and the ties that bind Canada to the British empire than I do. I am a Britisher first, last and always. Yet I like fair play even from my friends. To my mind the situation is this; under the British preference British manufacturers were allowed to send manufactured goods into Canada. I was very glad to welcome that; I would say nothing against it. But when we sought to send the products of Canadian farms into Great Britain, what preference did we get? Absolutely none. It is true that our butter and eggs, bacon and beef, entered the British market free, but so did similar products from Denmark, Holland and other European countries. And these countries were

hundreds of miles distant from the markets of Great Britain but we were thousands of miles. So we were handicapped by freight rates, a handicap that we could not overcome. to-day when we enjoy a preference of ten per cent on these products entering the British market we are still only about on a par with the other countries to which I have referred, when transportation charges are taken into consideration. Let me tell the leader of the opposition that if he should come back into power and should attempt to do away with the ten per cent preference that the farmers of Canada now enjoy, he would meet with the resentment and opposition of the farmers of Canada.

Speaking of trade agreements, I do not know whether hon. members on the other side are frightened of the word "reciprocity." I am not, and I do not know why the Liberal party should be.

Some hon. MEMBERS: We are not.

Mr. MYERS: They had a lot to do with reciprocity in 1911. I believe it is an admitted fact that the Liberal electors of Canada rejected reciprocity—

Mr. SANDERSON: Did the Conservatives vote for it?

Mr. MYERS: No, there was no reason why we should. But there were not enough of us to affect it one way or the other; you know that as well as I do. From 1896 down through 1900, 1904 and 1908, there were too many Grits in Canada for us; there were not enough Tories to affect the thing either way.

Mr. SANDERSON: There will not be many left after the next election.

Mr. MYERS: When the electors finally were offered the reciprocity pact of 1911 it was by the Liberal electors that that treaty was defeated. Let us take into consideration the question of trade agreements with the United States. I shall welcome any good, sensible trade agreement with the United States, absolutely. But at the same time I can see great difficulties. It is true that in June last the president of the United States was given power by congress to negotiate agreements with other countries, Canada included, but so far as I can understand the thought and sentiment with reference to trade matters in the United States they have not undergone any change of heart. The farmer in the United States is just as jealous of a home market for his own farm products as he was in 1930 when the Hawley-Smoot tariff was put into effect to protect him. We must be fair about these things; we cannot blame the United States farmers for that. It is the duty of the American government to protect the American farmer. It is the duty of this government, so far as it reasonably can, to protect the Canadian farmer. And why not? I have often heard the statement made that the United States is our natural market. I believe if I were to ask anyone here to-night why the United States is our natural market the only reply would be, because it is our nearest market. Let us examine that for a moment. At home on my farm there is just a line fence separating me from my neighbours on each side. They are my nearest market. But what is the use of trying to sell a horse to my neighbour on one side if he already has as many horses as he needs? What is the use of trying to sell a cow to my neighbour on the other side if he has cattle of his own to dispose of? That is pretty much the situation that obtains between Canada and the United States. Can any hon. member name anything that we produce on Canadian farms that is not produced equally well and often in greater volume on the farms of the United States? You can go on down the line and include live stock, field crops or anything you care to mention. There is one exception, however, and perhaps I may be pardoned for naming it. In the province of Prince Edward Island we grow turnips that are not equalled in any other country of the world; that goes without saying. With that exception, however, the farmers of the United States produce practically every crop that we produce in Canada, and in addition they produce several crops which I could mention that are not produced in Canada at all. Corn was mentioned to-night, and let me tell my hon. friend from Sherbrooke (Mr. Howard) that it is not necessary to feed corn to hogs. I have fed a great many hogs in my lifetime, and I never fed them corn. I see no valid reason why we should allow United States corn to come on the markets of Canada in any great volume, in order to displace feeds grown here that are just as good. Our own Canadian barley and oats are just as good as corn. Someone says they are better, and that is a fact. I suppose the hon. member for Sherbrooke is hardly aware of the fact that the Canadian hog makes much superior bacon than the United States hog, which is always referred to as the soft, flabby, corn-fed hog.

I was saying that in addition to producing all the crops that are produced in Canada the farmers of the United States produce other

crops that are not grown here at all. Only a limited quantity of corn is grown in Canada, chiefly for ensilage purposes, while corn is one of the major crops of the United States. Cotton is not grown in Canada at all, but it is the chief crop of the southern United States. In any trade agreement that may be made between Canada and the United States there should be a swap-off. It is true that they require certain commodities at certain seasons of the year, and certain other commodities at all times, that are produced in Canada, but on the other hand there are certain things which we require from them, even among farm products. In connection with these commodities we might have a reciprocal agreement which would work to the advantage of both nations. A matter of that kind must be worked out in a sensible, logical, levelheaded way, rather than as the former government tried to work it out. After years of quietly hushing things up, with the fear that they might offend the United States; after coaxing for years for the opportunity of getting into that market, which did not want and did not need our products, they turned around and threw a brick through the parlour window of the White House at Washington. On that brick was a label called the Dunning budget, which said, "We will build a tariff wall brick for brick with your wall against commodities of a kind produced in Canada coming into this country." That was not a sensible way in which to go about such a matter; there is a much better way.

It is almost eleven o'clock, Mr. Speaker. A great deal more might be said along this line, but as a farmer I just wish to add my voice to what has been said already in support of the Ottawa agreements. Let me assure my right hon. friend the leader of the opposition that if during the next election campaign he tries to lay unholy hands on the first real trade agreements to give protection to the Canadian farmers, he will meet with undying opposition on the part of those farmers.

In conclusion let me say, Mr. Speaker, that as a farmer I appreciate what the Prime Minister has done for the farmers of Canada in bringing about these trade agreements with the mother country.

On motion of Mr. Brown the debate was adjourned.

On motion of Mr. Bennett the house adjourned at 10.57 p.m.

Friday, February 1, 1935

The house met at three o'clock.

SELECT STANDING COMMITTEES

Hon. E. N. RHODES (Minister of Finance) presented the report of the special committee appointed to prepare and report lists of members who compose the select standing committees of the house, as follows:

PRIVILEGES AND ELECTIONS

Messieurs:

Anderson (Toronto-High Park)
Beaubien
Burns
Casgrain
Casselman
Duff
Elliott
Esling
Gagnon
Gray
Guthrie
Hanson (York-Sunbury
Jacobs
Kennedy (Peace River)
Lapointe
Lawson
MacDonald (Cape Breton South)
MacNicol
Marcil
McPhee
Mercier (St. Henri)
Mitchell
Morand
Ralston
Stevens
Stinson
Sullivan
Thompson (Simcoe East)
Turnbull—29.

(Quorum 10)

RAILWAYS, CANALS AND TELEGRAPH LINES

Messieurs:

Ahearn
Anderson (Toronto-High Park)
Beaubier
Bell (Hamilton West)
Beynon
Bothwell
Bradette
Bury
Cantley
Casgrain
Casselman
Chevrier
Dorion
Dupré
Edwards
Esling
Fiset, Sir Eugène
Fraser (Cariboo)
Gardiner
Geary
Hackett
Hanbury
Hanson (Skeena)
Harris
Heaps
Howden
Jones
Kennedy (Peace River)
Lacroix
Laurin
Macdonald (Kings, P.E.I.)
MacMillan (Saskatoon)
McGibbon
McIntosh
McLure
Manion
Mercier (Laurier Outremont)
Mitchell
Moore (Ontario)
Munn
Pouliot
Price
Ross
Rutherford
Ryerson
St-Père
Sanderson
Séguin
Shaver
Smith (Cumberland)
Speakman
Stewart (Edmonton West)
Stitt (Nelson)
Totzke
Tummon
Turnbull
Urquhart
White (London)
White (Mount Royal)
Young—60.

(Quorum 20)

MISCELLANEOUS PRIVATE BILLS

Messieurs:

Ahearn
Anderson (Halton)
Arsenault
Barber
Barrette
Bell (St. Antoine)
Bowen
Brown
Chaplin
Chevrier
Deslauriers
Duff
Dumaine
Dupré
Dupuis
Edwards
Ernst
Fournier
Gobeil
Golding
Gott
Hall
Irvine
Kennedy (Winnipeg South Centre)
Laflèche
Larue
Lawson
Luchkovich
MacInnis
Mackenzie (Vancouver Centre)
MacMillan (Mackenzie)
McDade
McGregor
Maloney
Mercier (Laurier-Outremont)
Mitchell
Moore (Ontario)
Munn
Myers
Peck
Pettit
Raymond
Sanderson
Séguin
Spence
Stinson
Sullivan
Tummon
Verville
Wilson—50.

(Quorum 15)

STANDING ORDERS

Messieurs:

Baker
Bell (Hamilton West)
Bell (St. Antoine)
Blair
Bury
Cahan
Church
Deslauriers
Fontaine
Fraser (Northumberland, O.)
Hay
Luchkovich
McKenzie (Assiniboia)
Mercier (St. Henri)
Munn
Plunkett
Rowe
Rutherford
Thompson (Lanark)
Woodsworth—20.

(Quorum 8)

PRINTING

(Members to act on the part of the Commons)

Messieurs:

Anderson (Halton)
Baribeau
Belec
Boulanger
Bourgeois
Brasset
Charters
Desrochers
Dubois
Embury
Esling
Factor
Fortin
Girouard
Gott
Gray
Hay
Heaps
Howden
Lucas
MacLean
Maloney
Marcil
Matthews
McKenzie (Assiniboia)
McLure
Mills
Moore (Châteauguay-Huntingdon)
Munn
Murphy
Parent
Peck
Perras
Pickel
Porteous
Price
Quinn
Rhéaume
Rinfret
Roberge
Robinson
Rowe
Ryerson
St-Père
Short
Simpson (Simcoe North)
Spencer
Spotton
Taylor
Tétreault
Verville
Wilson
Woodsworth
Wright—54.

PUBLIC ACCOUNTS

Messieurs:

Anderson (Halton)
Arthurs
Beaubien,
Beaubier,
Bell (Hamilton West)
Bothwell
Bourgeois
Cahan
Church
Coote
Cowan (Port Arthur-Thunder Bay)
Davies
Donnelly
Dubuc
Duff
Dumaine
Duranleau
Edwards
Embury
Fournier
Fraser (Cariboo)
Fraser (Northumberland, O.)
Gagnon
Garland (Carleton)
Geary
Girouard
Hanson (York-Sunbury)
Ilsley
Jacobs
MacDonald (Cape Breton South)
MacInnis
Mackenzie (Vancouver Centre)
Macphail (Miss)
Michaud
Perras
Pouliot
Power
Ralston
Rhodes
Robinson
Ross
Rutherford
Smith (Cumberland)
Smith (Victoria-Carleton)
Smoke
Speakman
Stanley
Stewart (Leeds)
Taylor
Willis—50.

(Quorum 15)

BANKING AND COMMERCE

Messieurs:

Arthurs
Baker
Beynon
Bothwell
Casgrain
Chaplin
Coote
Donnelly
Dorion
Duff
Ernst
Euler
Fraser (Northumberland, O.)
Gagnon
Ganong
Geary
Hackett
Hanson (York-Sunbury)
Harris
Howard
Hurtubise
Irvine
Jacobs
Lapointe
Laurin
Lawson
Mackenzie (Vancouver Centre)
MacMillan (Saskatoon)
McGibbon
McPhee
Mercier (St. Henri)
Michaud
Morand
Perley (Qu'Appelle
Pettit
Power
Ralston
Raymond
Rhodes
Robinson
Sanderson
Smoke
Spencer
Stanley
Stevens
Sullivan
Vallance
White (Mount Royal)
Willis
Woodsworth—50.

(Quorum 15)

AGRICULTURE AND COLONIZATION

Messieurs:

Barber
Bertrand
Blair
Bouchard
Boucher
Boulanger
Bowen
Boyes
Brown
Burns
Butcher
Carmichael

Coote
Davies
Donnelly
Dubuc
Dupuis
Fafard
Elliott
Garland (Bow River)
Gobeil
Golding
Goulet
Hall
Hay
Jones
Loucks
Lucas
McGillis
McKenzie (Assiniboia)
McPhee
Moore (Châteauguay-Huntingdon)
Motherwell
Mullins
Myers
Perley (Qu'Appelle)
Pickel
Porteous
Rowe
Sauvé
Séguin
Senn
Shaver
Simpson (Simcoe North)
Smith (Victoria-Carleton)
Spotton
Sproule
Stewart (Lethbridge)
Stirling
Sutherland
Swanston
Taylor
Thompson (Lanark)
Totzke
Tummon
Vallance
Weese
Weir (Melfort)
Weir (Macdonald)
Wilson—60.

(Quorum 20)

MARINE AND FISHERIES

Messieurs:

Baribeau
Barrette
Beaubien
Brasset
Cantley
Cardin
Dickie
Duff
Duranleau
Ernst
Ganong
Hanson (Skeena)
Ilsley
Jean
Johnstone
Larue
MacDonald (Cape Breton South)
Macdonald (Kings, P.E.I.)
MacInnis
MacLean
McDade
McLure
Munn
Neill
Pouliot
Plunkett
Price
Quinn
Reid
Ross
Short
Speakman
Stitt (Selkirk)
Urquhart
Veniot—35.

(Quorum 10)

MINES, FORESTS AND WATERS

Messieurs:

Arthurs
Beaubien
Belec
Bell (St. John-Albert)
Beynon
Bradette
Campbell
Cotnam
Cowan (Port Arthur Thunder Bay)
Desrochers
Dickie
Duguay
Esling
Fraser (Northumberland, O.)
Garland (Bow River)
Gershaw
Gordon
Hurtubise
Ilsley
Johnstone
Kennedy (Peace River)
Macdougall
McKinnon
Mitchell
Mullins
Parent
Plunkett
Roberge
Simpson (Algoma West)
Smith (Cumberland)
Stewart (Edmonton West)
Stewart (Lethbridge)
Stitt (Nelson)
Tétreault
Weir (Macdonald)—35.

(Quorum 10)

INDUSTRIAL AND INTERNATIONAL RELATIONS

Messieurs:

Arsenault
Bell (St. John-Albert)
Bourassa
Bourgeois
Bury
Church
Cowan
Ferland
Golding
Gordon
Hackett
Howard
Howden
Jean
Johnstone
Kennedy (Winnipeg-South-Centre)
Lacroix
Macdougall
MacNicol
Macphail, Miss
McIntosh
Morand
Neill
Parent
Perley, Sir George
Reid
St-Père
Stanley
Stitt (Selkirk)
Thompson (Simcoe)
Turnbull
Veniot
White (London)
Woodsworth
Wright—35.

(Quorum 10)

DEBATES

Messieurs:

Bouchard
Charters
Coote
Esling
Laflèche
Macdougall
Marcil
Mulock
Perley, Sir George
Rinfret
Wilson
Young—12.

(Quorum 7)

THE LIBRARY

(Members to act on the part of the Commons)
Mr. Speaker and Messieurs:

Barber
Bertrand
Bourassa
Boyes
Butcher
Campbell
Carmichael
Charters
Chevrier
Cotnam
Dubois
Dupuis
Factor
Ferland
Fontaine
Fortin
Fraser (Cariboo)
Gagnon
Girouard
Guthrie
Irvine
Jones
Laflèche
Larue
LaVergne
MacMillan (Saskatoon)
Macphail, Miss
Marcil
McGillis
McGregor
McIntosh
McKinnon
Mulock
Peck
Perley, Sir George
Pouliot
Quinn
Rhéaume
Short
Smoke
Thauvette
Thompson (Lanark)
White (London)
Wright—44.

THE RESTAURANT

(Members to act on the part of the Commons)
Mr. Speaker and Messieurs:

Ahearn
Barrette
Beaubier
Campbell
Cantley
Carmichael
Garland (Carleton)
Hanbury
Howard
Laflèche

Macphail, Miss	Senn
McKinnon	Spence
Mills	Sproule
Mullins	Taylor
Ryerson	Thauvette—20.

Mr. RHODES moved that the report be concurred in.

Motion agreed to.

POWERS OF COMMITTEES

Hon. E. N. RHODES (Minister of Finance) moved:

That the select standing committees of this house shall severally be empowered to examine and inquire into all such matters and things as may be referred to them by the house and to report from time to time their observations and opinions thereon, with power to send for persons, papers and records.

Motion agreed to.

INTEREST ACT AMENDMENT

Mr. G. G. COOTE (Macleod) moved for leave to introduce Bill No. 11, to amend the Interest Act.

Mr. POULIOT: Explain.

Mr. COOTE: Mr. Speaker, the Interest Act as it now stands does not place any limit upon the rate of interest that may be agreed to or that may be collected. Section 1 now reads:

Except as otherwise provided by this or by any other act of the Parliament of Canada, any person may stipulate for, allow and exact, on any contract or agreement whatsoever, any rate of interest or discount which is agreed upon.

The bill which I am introducing proposes to place a limit of seven per cent per annum upon the rate of interest that may be charged and collected. It also contains another provision which would limit the rate of interest which might be collected on mortgages on real estate to four per cent per annum.

Motion agreed to and bill read the first time.

THE KING'S SILVER JUBILEE

On the orders of the day:

Right Hon. R. B. BENNETT (Prime Minister): Mr. Speaker, I think it desirable that I should read a short statement to the house in connection with the celebration of the twenty-fifth anniversary of the king's accession to the throne:

As announced in the speech from the throne, Canada will join with the rest of the empire in celebrating on May 6th next the 25th anniversary of the king's accession to the throne. In accordance with His Majesty's expressed wish that all unnecessary expenditure should be avoided and that celebrations should be local, the government will not initiate any great national celebration.

It is proposed that the day will be celebrated as a public holiday throughout the dominion, and that a salute shall be fired at Ottawa and at all provincial capitals.

The government will announce a program of proceedings to take place in Ottawa on Parliament Hill on the morning of May 6th, which will enable members of representative national and local patriotic organizations, school children and the public to join in commemorating the king's silver jubilee. His Excellency the Governor General will attend, and will present His Majesty's silver jubilee medals to those of our fellow-citizens in Ottawa, to whom they are awarded.

The lieutenant-governors of the several provinces will be invited to carry out in the provincial capitals programs similar to that which will be adopted at Ottawa. Mayors and reeves of civic and municipal centres, other than Ottawa and the provincial capitals, will be invited to organize local celebrations on similar lines.

Members of the defence forces will be free to participate in any functions arranged by local authorities.

As a special act of thanksgiving on the part of the people of Canada on the occasion of this anniversary, His Excellency the Governor General, on March 1st, will initiate an appeal for the establishment of a permanent fund, to be known, by His Majesty's gracious permission, as the "King George V. Silver Jubilee Cancer Fund for Canada." An opportunity will thus be afforded to every household that is able and willing to contribute to participate in providing a permanent Canadian fund which will promote the welfare of our people in memory of this great historic occasion in the history of the British empire.

In due course it is proposed that both houses of parliament shall submit a loyal address to His Majesty the King.

LEAGUE OF NATIONS ASSEMBLY

On the orders of the day:

Mr. JEAN-FRANÇOIS POULIOT (Témiscouata): With reference to the statement made by the Prime Minister on January 29, 1935, Hansard, page 310, to the effect that the report made by the Canadian delegates to the fifteenth assembly of the League of Nations had been laid on the table of the house, in English and in French, a few days before, may I call the attention of the government to the fact that, on applying for a copy of the report in French from the distribution office, I found that it was not available. I would ask therefore when the French copies of the report will be available.

Mr. BENNETT: I shall inquire at the distribution office; I cannot answer the question now.

TIM BUCK'S OTTAWA MEETING

On the orders of the day:

Mr. ANGUS MacINNIS (Vancouver South): May I ask the Minister of Justice whether any instructions have been issued to the Royal Canadian Mounted Police to prevent Mr. Tim Buck from speaking in the city of Ottawa?

Hon. HUGH GUTHRIE (Minister of Justice): The matter has never been brought to my attention. No instructions have been issued and no discussion whatever has taken place in regard to it.

POTATO GRADING

On the orders of the day:

Hon. P. J. VENIOT (Gloucester): Can the Minister of Agriculture provide me with a copy of the regulations regarding the grading of potatoes in the maritime provinces and in Ontario?

Hon. ROBERT WEIR (Minister of Agriculture): I shall be glad to.

PRECIOUS METALS MARKING ACT

Hon. R. B. HANSON (Minister of Trade and Commerce) moved the second reading of Bill No. 2, to amend the Precious Metals Marking Act, 1928.

Motion agreed to, bill read the second time and the house went into committee thereon, Mr. Smith (Cumberland) in the chair.

On section 1—"Mount."

Mr. HANSON (York-Sunbury): Perhaps I should give a brief explanation of the bill. The amending bill and the statute of 1928 itself are designed, first, to protect the buying public in their purchases of articles made of precious metals and, secondly, to protect the dealer and manufacturer. The amendments proposed are minor in character and few in number and should not long detain the attention of the house. The measure itself has been submitted to the manufacturing and retail trades and they have practically unanimously agreed to its terms.

Section agreed to.

Sections 2 to 4 inclusive agreed to.

On section 5—Certificate of master or assayer of royal mint to be evidence of facts stated in certificate.

Mr. CAMPBELL: Has any application ever been made that a referee be allowed under this section? What I mean by referee is this. Wherever assays are made settling any dispute, it has been the custom to have more than one assayer.

Mr. HANSON (York-Sunbury): I do not understand that such is the case. I would direct the hon. member's attention to section 18 of the act, which provides in effect that the certificate of the assayer shall be final as a matter of evidence. We must have some way of proving the assay, and in all matters where that sort of thing is done in government offices, where analyses are made, in dealing with that class of evidence or testimony the certificate of the government officer is final and conclusive. I have in mind many of the acts relating to temperance, particularly the old Canada Temperance Act, under which I operated for a great many years, as I have no doubt hon. members who were practising at the bar in the old days also did. You could not proceed otherwise, and it has never been suggested as far as I know that there should be a referee. What is sought here is to meet a difficulty which is arising in connection with the act by reason of court litigation.

Mr. CAMPBELL: What I mean by a referee is this. When disputes arise in connection with assays, even although the assays are made very carefully, many times, when another assayer makes an assay by the same method, it is found that there is a slight difference which is apt to cause trouble. That difficulty is usually met, in settlements in connection with the sale of minerals or metals, by what is known in the mining or metallurgical industry as a referee. I am not suggesting the appointment of a referee, but provision that another assayer may come in.

Mr. HANSON (York-Sunbury): The matter has not been called to my attention. If that principle is feasible, we have in Ottawa the royal mint and their assay should be final. On the broad principle, I should say that for purposes of prosecution under this act the certificate of the government official should prima facie be final in every case. I do not think there is any reason why we should depart from the practice that has heretofore obtained.

Section agreed to.

Bill reported.

CANADIAN FARM LOAN ACT

Hon. E. N. RHODES (Minister of Finance) moved that the house go into committee to consider the following proposed resolution:

That, it is expedient to amend the Canadian Farm Loan Act to facilitate and increase the extension of credit to farmers, to authorize the

Minister of Finance to purchase additional bonds issued by the board and guaranteed by the government, and to amend the provisions relating to the constitution of the board, the purchase of capital stock, the rate of interest, the amount of outstanding bonds, and supplementary advances.

He said: I am in the hands of the house whether it is preferred that I make a general statement at this stage or we go into committee where there would be a wider opportunity for question and answer in case that might be considered advisable.

Mr. STEWART (Edmonton): May I suggest to the minister that we should like a statement now, not too extensive, but giving us a clear explanation of what is intended by the bill to be founded on the resolution?

Mr. RHODES: All right. I shall deal only with the general features and the main purposes of the proposed bill, reserving a more detailed discussion to the time when we are in committee on the bill itself.

Mr. ELLIOTT: Perhaps the minister might indicate what changes in interest he has in mind?

Mr. RHODES: I shall deal with that question as I pass on.

Perhaps the chief purpose of the bill is to do away with the dual control, the divided responsibility and of necessity, of course, the conflict of interests which it has been found in practice has arisen by reason of the fact that we have had provincial boards and the dominion board working under the old arrangement. Under the bill which will be submitted founded upon this resolution, the provincial boards will be abolished and there will be one dominion farm loan board, provision being made for the appointment of a representative of the board in each province. Further, if it is thought desirable, there will be appointed an advisory board to act with him should occasion demand. I may point out in this connection that apart altogether from the difficulties which are bound to arise through the divided authority, the dual control of which I have spoken, the difficulties of the board in its operation have been increased by reason of the fact that the act heretofore has never operated throughout the whole of Canada. For example, it has never operated in Saskatchewan, nor in Ontario, nor in Prince Edward Island, the operation of the dominion act being dependent, according to the terms of the act itself, upon legislation being passed by each province in turn; and as I have indicated, so far at all events the act has not been availed of by the three provinces named.

The board as at present constituted is composed of four members, one of whom is the Minister of Finance who is the chairman. I can not see that any good purpose will be served by discussing the broader question as to the wisdom of a minister of the crown attempting to preside over a board of this character, but I will say this, that with the demands upon the time of the Minister of Finance it is physically impossible for him to attend to the detailed work of presiding at meetings of the board and dealing with individual instances of loans. It simply cannot be done and as a matter of fact, during the whole period of time in which I have had the honour to occupy the office of Minister of Finance, I have been able to attend only one meeting of the board and that was on an occasion of special significance, having to do with the matter of dealing with general, broad principles. So, under the new bill we are proposing that the board shall consist of not less than three nor more than five, the chairman of which shall be the commissioner of farm loans.

Another important provision is enlarging the amount available by way of loans. It will be recalled that under the original Farm Loan Act of 1927 the dominion was authorized to advance a sum only up to $15,000,000, but in the amending act which was passed at the last session we enlarged the amount available to the board in the sum of $40,000,000 by way of advance from the dominion treasury plus an additional $30,000,000 to be made available to the board by means of a dominion guarantee of the bonds of the farm loan board. That provision is not disturbed but we have enlarged the amount in each case by $10,000,000, making a sum of $90,000,000 altogether available for the board.

The proposed bill does away with the provision calling upon the borrower to subscribe to five per cent of farm loan stock and it follows that it should also do away with the necessity for the province subscribing to five per cent of the farm loan stock. Inasmuch as we have encouraged such investments there are contracts outstanding in virtue of which the provinces have subscribed in the aggregate to between $400,000 and $500,000 of the stock of the board. There is provision in the bill whereby that amount of money be returned to the several provinces that have subscribed.

My hon. friend (Mr. Elliott) has referred to the question of interest. He will recall that in the original set-up of the act it was clearly outlined that the amount of interest to be charged was to be determined by the cost of

money to the board. That principle is not disturbed and it will depend entirely upon the going rates from time to time as to the rate which must be charged to the individual borrower. While prior to September last I think it was, perhaps a little later, the dominion charged five per cent to the board for money which had been advanced from the federal treasury, that rate was then reduced to four per cent, and I may say, having regard to the then cost of long-term money, because it must be borne in mind that the bonds of the farm loan board are issued for a period of twenty-two years, four per cent was a fair rate. Since that time there has been a lowering of interest rates and while I cannot anticipate the action of the government with respect to a given time or a given rate, it rather looks to me as if it would be possible for the government to lower that rate to three and a half per cent, but I can only announce in a general way that it is the policy and the desire of the government to make available to the farm loan board money as cheap as it can possibly be advanced.

The question of spread between the cost of money to the board and the price at which money is loaned to the individual farmer is of course another matter. I do not know that it would serve any good purpose for me to go into that now other than to say that it is the opinion of the commissioner, Mr. MacLean, and his associates that to keep the board on a fair actuarial basis there should be added to the cost of the money to the board two per cent to cover cost of administration and a margin of reserve sufficient to build up a fund which could be drawn upon from time to time to absorb the inevitable losses which occur in making loans. I feel however that that can be reduced, but certainly not below one and a half per cent, because the minimum cost of administration will be one per cent, without any margin of safety whatever. It may be borne in mind however, that as the sum of loans made increases the board's overhead will be spread over the larger total and therefore the percentage of administration cost will tend to diminish. But in any case, if we are to keep the board in sound financial condition I do not think we can safely go below a margin of one and a half per cent.

There are a number of minor amendments to the act, merely to make it fit in with these broad general principles, but speaking generally I have covered the main alterations and the general principles of the measure.

Mr. MARCIL: Will the minister give the names of the members of the board at present?

Mr. RHODES: The board at present consists of Doctor J. D. MacLean, Mr. Charles Duquette and the Minister of Finance. There is one vacancy.

Hon. J. C. ELLIOTT (West Middlesex): perhaps I may be pardoned for taking a short time to point out to the minister in charge of the bill and to the Prime Minister and to the other members of the government who are in the house the immense importance of the subject now under consideration to the farmers of this country. Throughout the country everyone is of one mind in regard to the necessity of making the overhead in the basic industries of production as low as possible. Of these basic industries, all of which are important, I submit that no other is so important as that of agriculture, in which more than fifty per cent of the population of the dominion are engaged. I say to the minister very seriously that while the lot of the farmer has not been easy at any time in the history of this country, it has been much easier at some times than at others. For the past number of years the farmer has been experiencing perhaps the greatest difficulties of anybody engaged in any industry.

I should like to point out something as to the way in which the interest rate has worked in regard to farm loans in, say, the last quarter century. I think I have had fairly wide experience in connection with farm loans. Hon. members will bear in mind that, say, thirty years ago, the loan that was most desired by people who were lending money was what was called a gilt-edged farm loan, one in which the amount loaned was not more than fifty per cent of the actual value of the farm, the value for which it was thought at that time it could be sold at almost any kind of a sale. I recall loans being made to farmers thirty years ago for four and a half and four and three-quarters per cent. Five per cent was quite common. Perhaps the best evidence that could be had of how urgent the present problem is and the great difficulties under which the farmer has been labouring in recent years is the fact that those who were formerly anxious to get farm loans, more anxious, as I say, to get loans on farms than on any other security have practically gone out of the farm loan business in recent years. That has made the position very difficult for the man who has had to borrow money to enable him to carry on his farming business. I submit to the minister that no set of people engaged in any occupation in this country have borne a

heavier share of the burdens of taxation and the other burdens incident to pioneer life in this country than the farmers. I think this is the time when the government should take a very generous view with regard to the rate of interest that should be charged. It is a fact that many of those who are lending money in recent years have felt that it was only the fair thing to do, in view of the low prices the farmer was getting for what he had to sell, to make reductions in the interest and to make substantial reductions in the principal. I think that has been fairly general in regard to farm loans from one end of the country to the other. I might point out that nothing is more to the advantage of the lender than to have a rate of interest which the farmers can pay. A high rate of interest is absolutely impossible in recent years. It is much better to have a rate of four per cent and have the farmer feel he can pay it than to charge five and a half or six per cent, and in some cases higher rates—

Mr. VALLANCE: Eight per cent.

Mr. ELLIOTT: Yes, but of course eight per cent does not do much good to the lender because he does not get it paid. It is much better to charge four per cent and get it than to charge eight per cent and not get four. That is about the way it works out. The figures the minister has given show that he expects to be able to borrow the money at three and a half per cent. Allowing two per cent for the cost of administration and the losses that must arise in a lending business brings the rate to five and a half per cent, if I understood the minister.

Mr. RHODES: That is at two per cent, but it may be one and a half per cent.

Mr. ELLIOTT: Yes, if it should be one and a half per cent the rate will still be five per cent. What I wish to point out to the minister and the government is that at the present time five per cent is altogether out of proportion to the prices the farmer is getting for the product from which he has to pay that interest. I should like to make a few comparisons as to what four per cent means to the farmer to-day with what six and a half per cent meant when this act was first put into force, what five and a half per cent meant later on, and what either five and a half or five per cent would mean to-day. May I direct attention to the following figures, which show the relationship of the prices of farm products and manufactured goods in the years from 1927 to 1934 to the prices in 1926. Take 1926 prices as represented by 100:

	Farm Products %	Manufactured Goods %
1926..	100.0	100.0
1927..	102.1	96.5
1928..	100.7	95.0
1929..	100.8	93.0
1930..	82.3	87.3
1931..	56.3	74.8
1932..	48.4	69.8
1933..	51.0	70.2
December 1934.	61.6	72.7

I point out this fact to the minister and the other members of the government in order to show that for what he buys to-day the farmer pays a much higher rate than he receives for what he has to sell. I point it out also in order to show that to-day four per cent is as high a rate as he can possibly pay. It is equal to a rate of six per cent or six and a half per cent in 1927, judged by what the farmer received at that time.

What is the reason for this situation? I ask hon. members if any one has any doubt at all as to the reason why farmers cannot get loans on their properties to-day except through farm loan boards or organizations of that kind. The reason is not that farmers are less thrifty or less industrious than they were fifteen, twenty or twenty-five years ago. It is that the overhead has become so high and the prices for farm products so low, that it is practically impossible to pay taxes and make ends meet on the ordinary farm to-day, even with the farmer and his family working without wages at all. We talk about minimum wages, unemployment insurance, short hours of labour and all the rest of it. These are all admirable in their own place. No doubt they are necessary in the life of a country developing as Canada is, but I should like to point out that the farmer and his wife and family have no minimum hours of labour or minimum wages. As everyone who knows anything about farm life in this country is aware, they work long hours, depriving themselves of most of the luxuries and many of the absolute necessities of life, and at the end of the year they find themselves in many cases unable to pay their taxes. In other cases they are able to pay part of the interest on the mortgage, but during the last few years it has been very seldom that they have found themselves able to pay any principal.

I am in perhaps as good a position as anyone in this house to know just what difficulties have been encountered by the farmers in the last few years. Those who have not been so enterprising as some of their neighbours have fared perhaps better. The man who in 1925, 1926, 1927 or 1928 had enough faith in himself and in his wife and family to buy

an additional farm and place a mortgage on it, to-day finds himself not only unable to pay any of the principal on that mortgage but has to exert himself to the utmost to pay the taxes on the two farms. In many cases I know of excellent families, descendants of pioneer stock, who for three or four generations have not known what it was to be sued, who are being driven off not only the second farm but also off the old home farm because of their inability to keep up payments on the mortgage.

I realize the difficulty in balancing the budget; I realize that this is perhaps the most difficult time we have ever had in Canada in that regard, but I do want to urge upon the Minister of Finance, the Prime Minister and the other members of the government that something must be done if you wish to keep the people on the farms to-day instead of having them move, as many of them have moved in the last few years after their mortgages have been foreclosed, off the farms into the cities, where they swell the bread lines and increase the number of unemployed. If the people are to be kept on the farms you must bring down the rate of interest to at least four per cent. They cannot pay any more. I do not think that will be denied by anyone who is familiar with farm life. If at four per cent there is to be a loss I think at this time the government should bear that loss in the interests of the struggling farmers from one end of this country to the other.

What has taken place in regard to the interest paid on bank deposits? Within the last year the interest on savings bank deposits has been reduced from three per cent to two per cent, a reduction of one-third the former figure or one-half the present amount. The loans that are being floated both by this government and by the Ontario government do not cost nearly as much as they did a few years ago, and of course on short time loans the rate is very much better. I believe that with the utmost care in selecting the persons to whom loans are made the rate can be brought down to the figure I have mentioned. I do not believe any government could grant all the applications that might be made; I think that would be suicidal.

The loans must be kept within reasonable bounds, and the amounts must be such that the farmers can expect to repay, because after all the government do not want a lot of farms on their hands. If they are forced to take over some of these farms they will realize some of the hardships the farms have had to endure in the past few years. I know of one man in a neighbouring county to the one in which I live who was very well off, with a number of mortgages on different farms. I do not know who advised him to do so, but he foreclosed those mortgages when the interest and some of the principal was not paid. As a result that man has had ten or eleven farms on his hands for the last year or two. He was badly enough off before but he is completely bankrupt at the present time. You cannot get anyone to work a farm now at any reasonable rate of rent. As a matter of fact a good many farms throughout the province of Ontario are being rented for taxes at the present time. I expect to have an opportunity later on to say something, but before the bill is introduced I should like to urge upon the minister with all the power at my command, that this matter is most vital to Canada's greatest industry and to the welfare of the Canadian people as a whole. There is not much more that I desire to say now.

We talk about the cost of overhead. No person who knows anything about farming conditions will argue that to-day overhead is not very much greater than it was a few years ago. No one who understands the difficulties with which the farmer who has a mortgage on his farm has to contend will argue that interest is not overhead. Unless we can decrease substantially the overhead to which I have referred we will find many good farms abandoned by some of our very best farmers. That may not be a very bright picture, but it is the truth, and I can see no object in concealing it.

As I understand the situation the government of the province of Ontario believes that at current borrowing rates they can afford to loan money to the farmers at the rate of four per cent; I hope they can.

During the years to which I have referred I placed loans in the district in which I was practising to the extent of many hundreds of thousands of dollars. Those loans were made on only what we call gilt edged security. I believe I reflect the views of the people who loaned the money when I say that during those years even with the low rate of interest a few hundred dollars would pay all the losses that occurred. That has not been the case in recent years.

Perhaps I could not say what I wish to say better than by repeating something I said to the house on a former occasion respecting the plight in which the Canadian farmers now find themselves. Speaking in this house on April 14, 1932, I used words which I believe would apply with equal force to-day and will indicate conditions now existing:

During the last six months more of the best farmers that live in this dominion have come to me and told me that they did not know how in the world they were going to get the money to pay their taxes, than in all the rest of the time I have known them. Many who five or six years ago were among the best, most prosperous and enterprising farmers in that community, are to-day on the verge of bankruptcy because the man who was enterprising and courageous four or five years ago perhaps—bought another farm for his boy or built a barn or got himself into debt.

Increased his indebtedness and increased his mortgages.

There is one thing which has not come down in price in this country, Mr. Speaker, and that is the rate of interest which people have to pay on the money they borrowed some years ago or have to borrow to-day. I know something about the way interest works, and I know that it accumulates to-day just as it did when times were prosperous...

Many of our farmers to-day are not only unable to pay off any principal, but they are also unable to meet the interest and many of them are not able to pay even taxes on their farms.

Before the bill is introduced I am going to ask the Minister of Finance to consider what the cost has been in connection with good loans which have been made by the board in the past, and to ascertain whether or not it will be possible to make a provision by which the farmers of Canada would be assured of money at a rate not over four per cent. If times improve toward anything like the point they reached in the good period, when the farmers were receiving high prices for their products, I think some provision could be made in the act to bring about a closer relationship between the interest the farmer has to pay on his loans from the government and the prices he receives for his products. However, while prices the farmers receive are as low as they are to-day, it would be utterly impossible to pay a rate higher than the rate I have stated. Further, I believe money could and ought to be borrowed at a rate lower than that mentioned by the minister. I know that a very excellent rate has been obtained on some short loans.

Perhaps I may be permitted to record some figures which obtained in the province of Ontario on January 7. There was one issue in connection with the Hydro where the rate was 2·95 per cent on a $10,000,000 loan. On August 27, 1934, there was an issue of $37,000,000 at 2½ per cent, yielding 2·6, 2·7, 2·8, 2·9 and 2·95. On October 15, last, a very short term loan one due in two years, was made at the rate of 2 per cent. Another was made at 2½ per cent, due in five years. I have given these figures to indicate that the rate of interest is to-day very much lower than it has been. Of course, the Minister of Finance must know more than I do about these matters. I do know however that the rate of interest on savings deposits is much lower than it was. I should like to make the further suggestion that the payments on the loans should be received at any time the farmer has the money to pay. Money is always worth practically one hundred cents on the dollar, and with the low rate he would receive in the savings bank he would be much better off to apply the money on hand towards the loan. Otherwise the farmer would have to place his money in the savings bank and receive that low rate for three, four or five months, as the case may be.

I offer these suggestions for the most sympathetic consideration of the minister and other members of the government. I sincerely trust the bill to be introduced will give some encouragement to the debt-burdened farmers so that they may be enabled to continue their struggle until the return of better times.

Miss AGNES C. MACPHAIL (Southeast Grey): Mr. Speaker, I should like to support the position taken by the hon. member for West Middlesex (Mr. Elliott). I too speak for the farmers, and I believe they cannot pay the 5½ per cent interest. I do not think they can pay the interest, much less retire the loan. Possibly the best proof of the fact that Ontario farmers cannot pay the high rate I mentioned is found in the experience the late Ontario government had in connection with loans at that rate of interest. The farm loan board of Ontario was loaning money at 5½ per cent. They have had to foreclose mortgages on many farms, and but for the effect it would have had on public opinion undoubtedly they would have taken action in regard to many others. I have not the figures, but I am sure the Minister of Finance will be able to secure them. I feel sure that if all the farms on which loans were made by the Ontario farm loan board were known it would be a very large number, and it would be very interesting to know just how few of the owners of those farms have been able to repay any of the principal, and what number have been unable to pay even the interest.

During the last Ontario election, and Ontario members well know how true this is, in the country districts a great deal was said about this 5½ per cent interest and about farm loans. It was such an important point that the late Henry government came out and said that the interest would be reduced to 5 per cent, and then they got it down to 4½ per

cent, in words, and finally to 4 per cent, but the government was defeated and nothing came of that. The Hepburn government was elected last June, and so far as I have been able to ascertain, from the time they were elected last June until now they have not made one farm loan. At any rate they have not made any for which I applied, and that was quite a number. I have asked many other people, and I am inclined to think that they have not made any farm loans at all. So the Ontario farmer is in a difficult position at the moment. He has not been able to get a loan even at 5½ per cent. The first year or two possibly he would not worry so much about the interest until its cumulative effects became evident, but he will not be able to get a loan from any source now until the snow is off the ground next year, so that will be one year in which the farmers of Ontario were not able to secure loans any place.

I support the hon. member for West Middlesex (Mr. Elliott) in the position he took that governments increasingly will have to finance agricultural operations. The farmer is not able to secure a loan any place else, and the farmers of Ontario are going through real difficulties because of the conditions which I have outlined. They could not get a loan from any government, either provincial or federal, because the federal farm loan board does not operate in Ontario since the Ontario government has never passed the concurrent legislation, and secondly, the Ontario farm loan board has not operated since last June. The consequence is that the farmers of Ontario are in great need of money at low rates of interest.

I think it would be better from the government's point of view to reduce the rate to 4 per cent and have some chance of the interest being paid, and if the price level should be raised there is the possibility also of the principal being retired, but when we remember that the price levels of farm products have fallen 57 per cent from the high of 1928 to the low of 1932, and have not increased much since that time, it is no wonder that the farmers are not able to pay interest rates. It is true that in my constituency there is quite a number, a disturbing number, of farms that have been rented for taxes. The people who own these farms are glad to have somebody go on them and pay the taxes, and they have to work hard even to do that.

I do not want to say anything more on this subject at this time except to urge upon the government that it would be better to fix a rate of interest which would guarantee that the interest would be paid than to fix it at a high rate when it is sure not to be paid.

Mr. ERRICK F. WILLIS (Souris): Mr. Speaker, with the amendments to the Canadian Farm Loan Act brought forward by the Minister of Finance I am well pleased, with the possible exception that I think they might perhaps go further, and that is why I rise at this time to suggest a way in which that might be done.

My complaint against the Canadian farm loan board is not the complaint of the two previous speakers in regard to the rates of interest in particular, but rather the complaint that those whom I represent are not even given the opportunity of paying what seems to us to be a very low rate of interest.

With the statement of the Minister of Finance that the provincial boards are to be abolished I am well pleased. I always did think that the provincial board was one through which the actual blame could be escaped. Sometimes the provincial board would say: Well, it is Ottawa that is to blame. But we would find out from Ottawa it was the provincial board that was to blame, and the poor farmer did not know where he was.

I understand from the statement of the Minister of Finance that there was made available to the board some $90,000,000, which would be quite enough if we could only get a few thousands within my territory.

I wish to indicate the general attitude adopted by the provincial board of the province of Manitoba in regard to applications for loans within the area I represent. I shall quote only a paragraph from a letter by Mr. Martinson, the provincial superintendent of the farm loan board, addressed to an applicant at Hartney, Manitoba:

> Our board feels that under present conditions further loaning is not justified. They are of the opinion that they should make no further loans until there is ample proof of sufficient moisture to produce a crop next year.

I quote also from another letter in which Mr. Martinson writes to a man at Deloraine, as follows:

> Replying to your letter of November 1, you have already been informed on several occasions as to the decision of our board in respect to loaning in your district at the present time.
>
> You may as well accept this as final until there is a decided improvement in crop conditions in your district.

I desire also to place on the record as a basis for the remarks which I desire to make, a letter which I received from one of the most outstanding farmers in the province of

Manitoba, Mr. J. R. McLean of Reston, under date of December 27, 1934. It is as follows:

We have a Federal farm loan board who have not been loaning any money in this territory for some time, although loans have gone through in other districts, and under the new arrangement second mortgages can be secured at low interest rates, for those favoured the last few years with good crops, districts which have been less favored than ours in past years.

I myself have lived in this district for 42 years, having farmed for myself for 31 years. All I own or possess, I have accumulated in 25 years from the farm, the last six years being unprofitable for farmers. I have at least spent $25,000 in improvements, and paid for 2¾ sections of land as well as $10,000 worth of stock and equipment in the said 25 years, and had clear title to everything previous to the depression. My stock has mostly disappeared by sale for living expenses since.

I made application in 1933 for a loan from the Federal farm loan board and had my farm inspected twice, the last time by the superintendent himself from Winnipeg, J. H. Martinson, and my application has been turned down because of conditions in this locality. This has been done, according to Mr. Martinson, by the head office. This is his assertion, and he goes further to state that he has recommended my application. But I have it on good authority, in fact the best, that the head office has turned down applications from this district which is in your constituency, on the advice of the Manitoba board "which is composed of Mr. Martinson and his two colleagues" and that the head office do not approve of any loans in this district until conditions change.

Now, myself and dozens of others who have still equity in our farm cannot carry on without assistance, and the only assistance I need is a loan to straighten up accumulated debts since the depression, and a nest egg to continue and put in a crop in 1935. I am not going to ask for relief nor accept any, but it seems the first function of a government under the circumstances is to help those who are willing to help themselves, people who have got into difficulty through no fault of their own. I think loans should be made to farmers who have the security to offer, at a low rate of interest, so they can proceed to put in a crop next spring. It is not when seeding starts we need money, but before, so we can be prepared when spring opens up. I hope you will give this matter thought and bring it to the attention of the proper authorities.

After living here for most of my life, and knowing the country with recurring dry years, I have not lost faith, remembering the great prosperity we enjoyed in years we had sufficient moisture, and it will return.

Yours truly,

Jas. R. McLean.

Then, as a typical example, I show hon. members a page from the Country Guide of its issue of March, 1930. This page shows the place of this farmer, J. R. McLean, and it points to him as an example to the farming community of Canada. It shows his house electrically lighted, his fine class of live stock, and the buildings which Mr. McLean says cost him some $25,000.

[Mr. Willis.]

Now what I desire to point out first is that in a case such as Mr. McLean's apparently neither the Manitoba board nor the federal board take any cognizance whatever of the past record of the farmer. I would point out that the ordinary farm loans are for the period of twenty-three years, not one or two. It seems to me that the Canadian farm loan board should adopt a businesslike basis, or place the prospects of repayment on the basis of the record of the farmer and the record of his land. Rather, it seems that they ask one question and only one: Did you happen to have any rain last year? They ask no questions in regard to the crops he had in 1926, 1927, 1928 and 1929. They pay no heed to the fact that during these years the district produced the greatest and the best crops in the province of Manitoba. I submit that the board should follow the ordinary banking practice, which is to investigate the character of the individual and appraise his security and his possibilities of making repayment of the moneys borrowed during the length of the mortgage. At the present time it is undoubtedly true that they are making loans in other parts of Manitoba not nearly as productive over a period of ten years; rather they are making loans where for the last two years they have had some rain, whereas these same districts a few years ago, and for a long period of years, were flooded out by water.

The second point I want to make and the second criticism is that the policy of the Canadian farm loan board is hampering the operation of the Farmers' Creditors Arrangement Act brought forward by the government last year. One of the greatest difficulties in that regard is in connection with rates of interest. If the people in my district could obtain loans at 5½ per cent they could, under the machinery of the Farmers' Creditors Arrangement Act, obtain a small loan and pay off their creditors, who would be glad to accept cash for maybe 50 or 75 per cent of the amount, and they could start again on the basis of 5½ per cent and be very glad to do it. Moreover, it seems to me that the attitude of the Canadian farm loan board is a direct negation of the policy of the federal government. The federal, the provincial and the municipal governments are pouring into that district moneys for the purposes of relief. These governments, in effect, are saying to the people, "We believe you can make a go of it. We believe this is a phase which will pass, this is merely a dry cycle which you have experienced before, and we will help you to carry on." But the Canadian farm loan board in its great wisdom comes forward and says, "No. We won't even inspect your

farm. We care not whether you have $25,000 worth of buildings and want a loan of only $500 and no more, that has nothing to do with us. We have said it will never rain on your farms again." Remember, the period of the loan is twenty-three years.

In my opinion the attitude of the Canadian farm loan board is entirely incorrect. In Manitoba there are two areas; one is known as drought area A, which is the worst drought area in Manitoba, all unfortunately within my territory, and there is outside that drought area B, not so badly affected. While I have not been able to gather evidence, it seems to me that the attitude of the board is simply this. They say merely, "Oh, you are in drought area B," or whatever it may be. May I say to this house and to the Canadian farm loan board as well that within the so-called drought area B there were this last year crops of 40 bushels of wheat to the acre. It is designated drought area B owing to the fact that the division is by municipalities. Now, the municipalities in western Canada are very large, with the result that you may have complete dryness in the south of the municipality, causing it to be designated drought area B, whereas in another section you may have, as in fact we did have last year, ample crops—good returns to the farmer and apparent prosperity. But they simply say to the farmer that he is in drought area B. As the hon. member for Lisgar (Mr. Brown) knows, in the municipality of Roblin the southern part may be designated drought area B whereas in the northern part there is apparent prosperity.

The Canadian farm loan board points out correctly that it is not loaning money on compassionate grounds. Certainly it should not loan money on compassionate grounds but should loan on a business basis. May I point out to them however that they can do better from a business point of view by making loans at the present time than they could ten years ago because now a man like McLean, owning two and three-quarter sections of land, with $25,000 worth of buildings would be willing to accept a few thousand and give them a first mortgage, and they would have security which they could not have obtained had they lent the money ten years ago. Further, at the present time within these areas, owing to the fact that in the last couple of years they have had no rain, there is great opportunity for anyone from the standpoint of investing money for the purchase of land, because it can be done so easily. Cash is so important at the present time that they are willing to sacrifice what they have in order to carry on. Therefore greater security can be obtained.

In my opinion, at the present time they are loaning moneys to districts in the northern part of the province which have no past record and no great prospects for the future. But in view of the fact that at present and for a short while they have had some rain there is a willingness to loan moneys there at a time when they could do better, from the point of view of security, by placing loans in other sections of the province.

With the amendments outlined by the minister I am pleased, because I think that the abolition of provincial boards will enable us, if I may say so, to place the blame in the proper quarter. The amount of the advance, $90,000,000, seems adequate. It appears to me however, if we can believe the words of these men, that it may be necessary to have a new personnel in the board in Ottawa, to revamp and reorganize it. It may be necessary to retire some of the members and perhaps the commissioner himself. I say that with all kindness. I do not think that at the time the Canadian farm loan board was set up it was ever contemplated that the present personnel would handle $100,000,000; I do not think it was ever contemplated that the present machinery would do so. I am informed that the commissioner has an appointment dated January 1, 1929, for a period of ten years. In that respect he has his rights which should be safeguarded; he came here on that promise and certainly that should be safeguarded also. But if loans are to be passed by those in Manitoba who have inspected the land and know the situation and are going to be turned down at Ottawa simply because, as they say, the individual is in the drought area, then how can you bring about the change unless you change the personnel of the board? I trust that when the necessary changes are made they will be able to place on the inspection in Manitoba men who have had experience there, who understand where the proper security is and where loans can safely be made, rather than do as they have done in the past. It seems to me that direct federal administration will be an advantage. If the same old attitude is to be adopted as was adopted in the past and loans passed by the inspectors before coming here are to be cancelled and not granted; if the same attitude is going to be adopted in regard to the amounts advanced and the way in which the whole administration is carried out, then it may be necessary, safeguarding the interests of the commissioner in every way, safeguarding his rights, that either he be surrounded with a new personnel or—and I say this in all kindness—the commissioner himself be retired or his attitude changed.

Hon. CHARLES STEWART (Edmonton): I rise not to be critical of the administration of either the Farm Loan Act or any of the amendments that have been made during recent years in regard to the operation of the act itself, but rather, if I can, to suggest something that may be helpful. In my opinion the situation that to-day affects agriculture from one end of Canada to the other is the most critical in our history. I am simply astounded when I come here and listen to statements made by men coming from what we consider the garden spots of the dominion so far as agriculture is concerned, to learn that competent farmers of many years' experience are finding themselves in serious financial difficulties. I have nothing to say with respect to the administration of the farm loan board or any other board that have loans in the so-called drought areas. I asked a question of a friend of mine: Would you loan money under similar circumstances if it were your own money? When I say that may I say to the minister that the situation in Canada is so critical at the present time that the government in charge and, indeed, the House of Commons should be prepared to take extraordinary chances to save the situation. I for one am prepared to support extraordinary efforts to save a situation of this character. We have been forced to guarantee bonds of railway companies in order to save them and no one knows whether the Canadian people may be called upon to make good in some respects some of those guarantees that we have issued. Our experience in the past has been that even in prosperous times the farm loan business has been a bit precarious from the standpoint of receiving returns expected by those who loaned the money. This cannot be blamed upon the agriculturist. His is a very precarious occupation; he does not know when he makes his investment in labour and money in the planting of a crop whether he is going to reap it or not. I for one have had the experience of beginning to reap a crop and having it all destroyed in a period of a few minutes. That of course is not true of all Canada, but it is just an example of what happens in agricultural pursuits in all parts of this country. So I think we are safe in saying that it is a somewhat precarious undertaking or calling.

I felt the same in 1927 and I believe the dominion government in the interest of agriculture, which is so important to the welfare of this country, might by the adoption of a farm loan act be taking some chances on the repayment of the loan. I do not agree with the hon. member for Souris (Mr. Willis) who has just taken his seat, that the blame can be laid at the door of the personnel of the board. The Liberal government and this government have surrounded the operations of that board by regulations because it was thought they were warranted. Perhaps they were too onerous, but I think if my hon. friend will make inquiry he will find that even in the most prosperous sections in which loans have been made the board has a considerable number of unpaid interest claims. This to me is an indication that despite all the precautions of the board itself and the precautions by the government surrounding the operations of the board, they have not made it immune from the difficulties encountered by others who are lending money under a situation such as this. I make this statement because I do not want to speak in a critical way of either the board or the government itself. Agriculture, in my opinion the most important industry in Canada, is on the verge of bankruptcy and naturally the next thought that occurs to one is: then it must be a very precarious undertaking to loan money to an industry of that character. It is, and I therefore urge the minister and the government that particularly at this time special consideration be given to this matter and, indeed, some chances taken. I believe the government are warranted in taking grave chances, if you will, to save the situation.

As regards Alberta, I am not going to say a single thing about the southern portions of the province; what I have to say and the information I have gathered refers to the northern section where we have never had a crop failure, where every year the farmers have been in receipt of reasonably good returns for their labour in the way of crops. Yet in those favoured localities which are in the constituency which I have had the honour to represent for the last four years—and they are but typical of other sections of the whole of the northern portions of the western provinces—at least 70 per cent of the farmers are facing bankruptcy. That seems a large proportion; nevertheless it is true and seven or eight years ago they were rated among the most prosperous farmers in the country. Conditions however have been such with respect to the price levels that they have been receiving for their produce that they are in that unfortunate position to-day. So bad has it been that the provincial government in their wisdom or otherwise some years ago felt it incumbent upon them to pass what they called a debt adjustment act. It turned out to be nothing more nor less than a debt suspension act and while the creditor could not take

action, the unfortunate farmer found himself faced with rapidly increasing responsibilities due to the accumulation of interest and very frequently the accumulation of unpaid taxes. That is the situation which confronts us to-day. Last year we passed in this house a debt adjustment act and under its provisions we were hopeful that some amelioration could be secured for the farmer. That act has a back-fire that perhaps we did not anticipate in the last session of parliament. The man who is most vitally affected is usually the retail merchant in the locality who has granted credit to these farmers. While his credits may be cut down very materially there is no way for him to secure a reduction of his own indebtedness, incurred largely through giving those credits. I mention that in passing to indicate to the government and the house what a serious situation is developing in Canada in this connection, and how hazardous the tenure of ownership or even tenancy on the farms is becoming. To-day no one is prepared to lend money to an individual engaged in agriculture. That cannot be denied. I have interviewed several mortgage companies and life insurance companies engaged in this business and they say: Not another dollar except to protect the investment we already have; and we would be glad to get our money and get out. That is their attitude. I think the government are to be commended for anything they can do by way of improvement of the act and in securing a larger amount of funds to loan to meet this very serious situation. Last year, in conjunction with the Farmer's Creditors' Arrangement Act, provision was made by amendments to this act that loans could be made for the purpose of tiding the farmer over his serious situation while investigation was being made. I do not know how far that has worked out, I have no information as to how much was done, but judging from what I learned in Alberta very little was done by the farm loan board in the way of loaning last year. I am not going to be critical about that. But the situation in a great many cases where composition of debts was being sought was that it appeared that while most of the creditors were willing to compromise in a reasonable way on their debts the main difficulty was the mortgage itself, usually held by some corporation. If my information is correct, the corporations holding the mortgages were quite willing to surrender them at some considerable reduction if they were paid off. That would mean of course the transfer of that mortgage to the farm loan board, they being the only agency through which loans might be secured. But my information is—I cannot say that I know anything personally of this matter—that even with the cutting down by the mortgage companies to a reasonable degree of the principal and accumulated interest as proposed, the amount as so reduced would still exceed the limit of seventy per cent of the present selling value of the land and therefore the farm loan board would be unable to make the loan. I do not blame the farm loan board, but in my opinion we have got to give much more leeway to the board than we have in the past. We have got to modify the regulations. I have never lost a crop on my farms. I had them valued some years ago but if I were asked to-day what they are worth as a productive enterprise I really do not know what I would value them at. And as I say, although we have been frozen, in no year have we lost a crop on those lands and they are typical of a great many others. But if I were sent there as an appraiser to say what the value of a farm is to-day I would have great difficulty. It is all right to talk about the experience of the past, but what is going to be the experience of the future, in the light of what has happened in recent years?

So my whole plea is that a very lenient view be taken of this situation, and that the government take some extraordinary chances in loaning money in order to keep our farmers on the land. The procession of farmers off the land in western Canada, or arrangements with the mortgage companies to farm for the purpose of paying the taxes or on a basis of one-third of the crop, which is the usual rental for farms in that locality, is going on at a tremendous rate. Such a condition breaks the spirit of people who have spent twenty-five or thirty years of their lives trying to build up a competence for themselves and their families. It is useless to go over a recital of what a farmer and his family do in the way of actual labour to secure the returns that they get from a farm even in prosperous years. I do not want to interject a single word that would suggest that I am blaming the policy of the government for the present situation; I may do that at another time, but this thing is too serious to make a political issue out of it. I shall deal with the policy of the government on another occasion, and perhaps deal as harshly as I can with them in order to see if some amelioration will not be granted in that regard. But I say, speaking for myself, that I am prepared to back the government in taking some very grave chances. I welcome to some degree the suggestion of complete control. A common expres-

sion in western Canada is that there is too much passing the buck when you have the two bodies operating in this connection. With complete control we could at least know who was to blame if loans are not consummated. I make this suggestion. Perhaps there never has been a more favourable time than the present to borrow money. I have not given this suggestion the consideration it deserves, and I do not know whether it is workable but it is that loans be shortened to a period of five years. If in that time we do not have a change in price levels for farm products it will not make much difference whether we have farm loans or not. Our devout hope is that price levels will rise and then the question of interest becomes not so important. I make the suggestion in the light of our past experience that interest rates be based on basic commodity price levels. For a shorter period I am sure the minister can go into the money market and borrow at a much more favourable rate than he can for a twenty year period. Then let the benefit of this cheaper money, borrowed for shorter terms, with the government guarantee, be passed on to the borrower on a five year loan, which was the usual period of mortgage loans in western Canada made by the mortgage companies. That at least would carry us over the difficulties of the present time. With this perhaps also should go a reduction in interest to the rate suggested by the hon. member for West Middlesex (Mr. Elliott). I make this suggestion so that the minister may have a chance to look into it before we come to discuss the details of the amendment.

In conclusion I would say that anything the government may propose, any chance they make take which they themselves deem hazardous, will I think receive the warm support not only of myself but of other members from western Canada.

Mr. W. E. ROWE (Dufferin-Simcoe): I am very glad that I can agree with a great deal of what the hon. member for West Edmonton (Mr. Stewart) has just said. I am sure there is no member in this house who understands rural problems but will agree that this question far transcends political controversy. I feel that I must support the government very heartily in approving of the suggested amendment to the Farm Loan Act. I feel satisfied that many of the problems mentioned in this house have been rather confused with the debt problem of the farmers. As the previous speaker said, agriculture is in perhaps a more difficult situation to-day than it has been for many years, though I do not think it is as difficult as it was two or three years ago. The hon. member for West Middlesex (Mr. Elliott) suggested that the rate might be lowered to 4½ per cent; personally I would be glad to see it reduced to 4 per cent but, as hon. members know, the Farm Loan Act provides that the rate must be sufficient to provide for the issue of bonds, the building of reserves, and the expenses of administration. I hope that when the bill comes down I may be able to deal more fully with this point and offer some suggestions.

In the province of Ontario I feel that recently the farmers have been in a rather more difficult position with regard to farm loans than has been the case with the farmers of other provinces. In this province we had applications made to the government by over a thousand farmers prior to the last provincial election, to which the hon. member for Southeast Grey (Miss Macphail) has referred. Of those applicants over five hundred had paid the inspection fee of $12 but, according to my information, not more than fifty applications were accepted. The nature of the mortgage situation in Ontario and the other provinces is very much as the hon. member for West Edmonton (Mr. Stewart) has stated; the fact that the provinces have issued loans in the past has more or less taken that business out of the realm of private enterprise and, as has been stated, the loaning corporations refuse to lend money, especially if the application has been refused by the province or by the farm loan board. In the province of Ontario, in which as the representative of a riding in that province I am vitally concerned, we have something like $55,000,000 in loans to some 17,000 farmers under the farm loan act of the province. In the past when a farmer needed a loan or desired to buy a farm for himself or his son he naturally thought of getting the money from the farm loan board. That was the custom for many years, but those loans were abruptly discontinued just at a time of crisis, when the need was greatest. During the last session of this parliament the Farm Loan Act was amended to provide that loans might be made not to fifty per cent of the value of the farm but to sixty-six and two-thirds per cent of the value of the farm and chattels, and I believe many provinces have taken advantage of that amendment and have passed enabling legislation.

That amendment was passed in this house in June of 1934, when unfortunately the legislature of the province of Ontario was not sitting. On June 19 an election was held; in fact the amendment was passed by this parliament while the election campaign was in full swing. No enabling legislation was passed

in the province of Ontario. The legislature has not met since the election, though we expected a session some time ago as was promised. At any rate the result has been that this enabling legislation has not been passed and relief has been withheld from farmers who are in dire distress, on the verge of going into bankruptcy, and, in some cases subject to the risk of losing the results of twenty-five years of work. During the last few months I have had scores of farmers plead with me to see some private interest and try to do something in the way of securing farm loans. The provincial government of Ontario have absolutely refused to issue these loans; they have refused to consider the thousand applications which were before the board at the time of the election, including the five hundred who paid their $12 inspection fee and whose applications had been approved even though in some cases gilt edge security was offered.

I remember one case in particular, that of a man who paid $13,500 for a farm. I know that man very well. He worked as energetically as any man could work; he suffered all sorts of privations, difficulties and hardships, and he paid for the farm with the exception of $3,800. He pleaded with the province for a loan, but his application was refused. I understand that the reason given was that the previous government had failed to pass an amendment to the farm loan act, and the board had not the authority to issue the loan. I leave that example with this house for what it is worth. Everyone knows that the dominion Farm Loan Act was passed in 1927. Everyone knows that the amendments to that act were passed in June of 1934, just a few days prior to the provincial election. Just why the provincial board have absolutely refused to approve or deal with one thousand applications which were made prior to the last election is for that board to state. In the meantime our farmers in Ontario who have been seeking mortgages have found themselves in a more difficult financial condition than has been the case during the last five years. I have had scores of farmers at my home almost weeping, wondering what they could do.

For these reasons, Mr. Speaker, I am very glad that at the beginning of this session the government have seen fit to step into the breach and bring forward amendments to the act, extending further credit to the farmers of Ontario and of the dominion generally. I am glad that the government propose to take over the administration of the act, so that it cannot be said that we are passing the buck, and I believe they will make these loans at the lowest possible rate of interest. I am glad that those who sit to your left, Mr. Speaker, have intimated that they are prepared to support these amendments, even though they may increase the risk of temporary loss to the government. I wish heartily to endorse the proposed amendment, because it comes when it is most needed in the province of Ontario and fills the gap created by what on the surface appears to be neglect on the part of the provincial government who might have helped thousands of farmers in this province in these difficult times.

Mr. JOHN VALLANCE (South Battleford): Mr. Speaker, we have heard from the province of Alberta, the province of Ontario and the province of Manitoba. I was very pleased indeed when I saw this resolution on the order paper:

> Resolved, that it is expedient to amend the Canadian Farm Loan Act to facilitate and increase the extension of credit to farmers—

I remember that last year, when we were dealing with the amendments then before the house, I asked the Prime Minister if this act was operative in the province of Saskatchewan. As the Minister of Finance has said to-day, up to the present time that act has not been in operation in that province. I understand that there is concurring or enabling legislation to make it possible for the farmers of Saskatchewan to come under the provisions of the Farm Loan Act. There are no people within my knowledge who have any greater need of extended credits than the farmers of Saskatchewan. In my opinion the Canadian Farm Loan Act is complementary to the Farmers' Creditors Arrangement Act. While going through a portion of the province of Saskatchewan I found many farmers who were anxious to take advantage of the Farmers' Creditors Arrangement Act.

What is the situation? We find the farmer going to the representative of the adjustment board and making a proposal. He places his cards upon the table and states, "I owe so much to a mortgage company, so much to a machine company, so much to a bank," and so on and so forth. "I would suggest in setting up this scheme that my debt be reduced by 33⅓ per cent and that my interest rate be cut down from its present rate"—which may be 8 or 9 per cent. Hon. members coming from the western provinces are amused when they hear talk about interest rates as low as four per cent, five per cent or even six per cent on mortgages. That does not exist in western Canada. The farmer asks that the interest rate on his debt be cut down to six per cent. Of course the question is,

"What have you to offer?" "Nothing." What is the creditor going to do to me, a farmer, if I come to him and simply suggest that instead of owing him a debt of one hundred cents on the dollar he should accept at some future date seventy-five cents or fifty cents, as has been suggested, and cut the rate down to six per cent. I hope it may be possible under the proposed amendments and through the legislation now contemplated at Regina that the farmer of Saskatchewan may be able to go to the farm loan board and obtain a second mortgage or borrow up to sixty per cent of the value of his land and chattels. If he were able to obtain $1,000 or $1,500 or whatever amount the board saw fit to extend to him he could then approach his creditors and possibly make some adjustment. We find that in the province of Saskatchewan there are very few if any adjustments being made simply through lack of funds to make them. Representing a rural constituency in the province of Saskatchewan I feel that I may endorse all that has been said by the hon. member for West Edmonton (Mr. Stewart). As an individual from Saskatchewan I am prepared to give every assistance to the government in passing the legislation if such legislation is as outlined in the resolution.

Dealing with conditions in Manitoba the hon. member for Souris (Mr. Willis) directed his remarks to the dried out area. I cannot understand why the farmers in those dried out areas have found it difficult to obtain loans simply because of the fact that over a certain period of time the precipitation has been such and such or so and so. I should like to observe however than when we take a specific period of time between two points, periods of five or ten years, and leaving out the last four or five dry years, we find that the production in that portion of Saskatchewan now known as the dried out area was greater by volume and value than that of the northern areas. All the southern portions need is rain. I know rain cannot be given to them under the Farm Loan Act, but I do believe the act could help the farmers to carry on until such time as they do have rain. It is utterly impossible in many portions of western Canada, and more especially in the dried out areas, for farmers to borrow money, even on mortgages. Going through the country I had farmers tell me that the mortgage companies are not bothering them, the machine companies are not bothering them, and the banks are not bothering them. Why not? Because there is nothing to take. I say that if the farmers of Saskatchewan are contemplating an adjustment of debt now is the time to do it. If Saskatchewan's dried out area ever gets a crop, just watch the mortgage companies, the banks and the machine companies. If those dried out areas, over a period of years, can get back to their former average of production the banks, mortgage companies and machine companies will climb on to the farmers and make it utterly impossible for them to carry on. To-day the farmers are not being bothered, and my suggestion would be that they should get an adjustment of their debts. I think that would be possible. If with the $90,000,000 now at its disposal the board would advance credits to the farmers it would confer a great blessing not only on the dried out areas in Saskatchewan but on the western provinces generally.

My farm is located between the dried out areas and the northern areas. As the hon. member for Souris has said, one-half of the municipality might be said to be in the dried out area because, strange as it may seem, we find the dried out areas are slowly creeping north, annually. We find the grasshopper plague is doing the same thing. In my constituency we hope we will not have in the coming season a grasshopper plague such as we have had in the last two years. I have been in the one community for twenty-eight years, and only in the last two years have we experienced a total crop failure. I feel sure that when the farmers in the west, and particularly those in the province of Saskatchewan, read in the newspapers that the federal Farm Loan Act is to become operative, and that there is $90,000,000 to loan to the farmers, they will be greatly pleased. I hope the board will not deal too strictly with those portions of Canada which have not been so favoured climatically as many others.

Mr. V. C. PORTEOUS (North Grey): Mr. Speaker, I should like to make a few observations concerning this resolution. Not from a political standpoint, and in all seriousness I want to say that never was there a more cruel decision made than the decision of the authorities in the province of Ontario to discontinue the operation of the Ontario development board. The hon. member for West Middlesex (Mr. Elliott) has said that thirty years ago farm mortgages were a gilt edged investment. As compared with other investments I would say the same is true to-day. I believe if an analysis were made of losses on investments we would find that the percentage of losses on farm mortgages in eastern Canada is very much lower than on other kinds of investments. The same was true, so far as the Ontario development board was

concerned. I had considerable experience in negotiating between that board and some of the applicants, and my experience was that upon some occasions the board were not lenient enough. They said they would not take mortgages over fifty per cent of the value of the farm. If that was not a gilt edged investment I do not know what could be.

A good many angles to this problem have been presented this afternoon. One was that we should have a lower rate of interest, especially in the province of Ontario, and with that I agree. Another hon. member believed there was not sufficient credit extended to the farmers at any rate of interest. I believe both those points may be well taken. I agreed further with the hon. member for Souris in his observations concerning the dried out areas. In my view credit extended to the people in those sections of the country where crops are uncertain should be based on a long period, and not a short period of only two or three years. It should be on a long term basis for a period of possibly twenty years, and both from a business and actuarial standpoint the rate should be as low as possible; but, Mr. Speaker, it should be at cost. The farmer as yet is not a charity patient. If you were to base the rate of interest upon his ability to pay, then in some cases, judging by the last few years, the farmer would not pay any interest at all, but the farmers are not asking for that sort of thing because it is charity. I believe that the farmers in some cases have been asked to carry burdens unjustly, but nevertheless they are not going to ask for charity.

The rate of interest should be as low as possible on a business like basis of course, and it should be at cost. That is all the farmers are asking. The cost also should be kept as low as possible. I think myself that a spread of 1½ per cent is possibly too much. I think that with a fair administration of this program there would be very few losses, and I think there would be no losses at all if it is administered properly, in which case the spread could be less than 1½ per cent. I also think that in the near future money will be borrowed more cheaply, and the rate of interest could be arranged so that it would be lower to the farmer than is anticipated at the present time.

I want to make just one more suggestion, and that is that in setting up the machinery to administer this act as amended, the minister should take into consideration the possibility of associating it with the Farmers' Creditors Arrangement Act. I think before long, if we have not got them right now, we shall have some most enlightened receivers so far as the farmers' ability to pay is concerned under the Farmers' Creditors Arrangement Act, and I think that the advice of those receivers might be a great advantage to the board that might be set up, and I should like to see these two activities associated and carried on together.

As the hon. member for Dufferin-Simcoe (Mr. Rowe) and some other hon. gentlemen have said, the Farmers' Creditors Arrangement Act is now operative, but it does not go far enough, and if there was some credit available so that those people who have burdens of debt could receive credit, many of them would take fifty or sixty per cent of their debt and make a settlement.

Hon. P. J. VENIOT (Gloucester): Mr. Speaker, I do not want to take up very much of the time of the house on this question of amending the Canadian Farm Loan Act, but I should like to call the attention of the Minister of Finance (Mr. Rhodes) to what I consider is one of the causes why the interest rate is so high, and perhaps it is also one of the reasons why the minister feels that the rate could not be lowered to the point that has been suggested during the discussion this afternoon.

I have had something to do with helping farmers to obtain loans under this act, and I find that the cost is extremely high. Take a farmer needing a loan of $1,000, for instance. He cannot get that loan under a cost of $50. First he has to send in $10 for an appraisal. Then an appraiser is sent out, and when his appraisal is in and the board is considering the proposition of making a loan to the farmer, he is instructed by the local board that he must be prepared to pay $35 or $40 more when the time comes to search the title and make out the mortgage.

Let me give a case in point. An application for a loan of $1,000 was made through the local board in New Brunswick. First we had to send $10 for an appraisal. The appraiser lives within half a mile of the man who was making application for the loan. There was $10, and all the work that that appraiser had to do could be done within three or four hours. The application is considered favourably. In the application you have to give a description of the property as it is on record. The lawyer or the legal firm to whom instructions are given to make out the papers have not much searching of records to do because the whole thing is there before them, and yet it costs the farmer $35 or $40.

Now such costly proceedings must add considerably to the overhead, but if you cut down that overhead, and I believe it could be cut down by 50 per cent on every application, you could also cut down the cost of administration, and that perhaps would give you the opportunity of loaning the money at a lower rate of interest.

I was pleased to hear the minister state that the local boards will be abolished. I understand by that, that the work will be done entirely from Ottawa, with the assistance perhaps of agents in the field. Let me draw the minister's attention to the fact that that will mean a considerable reduction in the overhead if the work is properly looked after. That is another source of reduction in overhead which may make possible the loaning of the money at the rate suggested in the discussion this afternoon.

But I should like to urge on the minister this point: For gracious sake, in naming appraisers, do not have it done in the way it is being done now by the local boards. Why, Mr. Speaker, the appraisers that are named in the province of New Brunswick have no more idea of valuing properties than I have an idea of clinching the moon with my teeth. I know it. I am interested myself, and have been for years, in the valuation of property, as chairman of boards of assessors and as chairman of school district boards, where the chairman and the secretary together have experience in the valuing of properties.

There is another point, although this may not be repeated under the amendment to the act, but in the past when times were very good, appraisers have been named who were interested themselves in loaning money to farmers, and when they went to appraise the property, they simply sent in such a report that the farmer could not get a recommendation from the local board for a loan. The local board was blamed for that, and the head office at Ottawa was blamed for it when it should not have been blamed except for naming such an appraiser. That appraiser, after seeing that he had knocked out the chances of the farmer for getting a loan under the board, would then come forward himself and lend the money. I know cases of that kind, and that is one reason why I am pleased to see that the local board is to be abolished and that the head office here at Ottawa will have charge of the administration of the act. I feel sure that it will result in more efficient administration, with greater satisfaction to the farmer.

[Mr. Veniot.]

Mr. W. J. LOUCKS (Rosetown): Mr. Speaker, I am sure it is a pleasure for me to endorse this resolution and to see such unanimity upon it. It seems that we are agreed one hundred per cent on the resolution, and I know it will be gratifying to the farmers of western Canada as well as to those of the east to know that the sum of $90,000,000 is to be devoted to the purpose the government has in view. Hon. gentlemen who have already spoken have indicated the difficulties which confront the farmers of the west, but I would point out that there are still a good many farmers who have not been forced to put on a first mortgage. The question therefore is, what about those who have not yet had to go to a mortgage company for assistance? Can they get any benefit through the farm loan board? So far as I have been able to ascertain, it would appear that there is a possibility for such farmers to get some assistance.

One important question, a question on which I feel very strongly, is that of interest. It has been my privilege in the last few months to see many applications favourably received for the writing down of debts owed by farmers. There is no question whatever about it that interest is a millstone around the farmer's neck, at any rate in western Canada. The debt is very often doubled as the result of interest. Take a mortgage of $5,000; in the last four or five years the debt has almost doubled. The average rate is eight per cent and when you compound the interest you can see how onerous the burden becomes.

As regards the Farmers' Creditors Arrangement Act, we are getting results. I have been receiving letters from farmers in my constituency in which they express their appreciation of the writing down of their debts. In other words, there seems to be cooperation between the creditors and the farmers; there may be a few instances in which this is not true, but generally speaking it is. The other day I received a letter from a farmer who lives not very far from me. He is a man of about seventy. He told me that he had taken new heart and courage and he complimented the receiver in my town on the way in which he had made it possible for this farmer to have his debts written down. Previously, he said, he had been disheartened; he had given up hope; but now he feels that it is possible for him to meet his obligations, in part at any rate.

There is however a difficulty in connection with the unsecured merchants throughout the

little towns. Most of them would be glad to-day to take fifty per cent of what is outstanding in their accounts. That is the information I have received from most of the merchants in my district, but when they are asked to write down debts, however willing they may be to do this, there is no money forthcoming to enable them to finance their business. They are still obligated to the wholesalers one hundred per cent. They say that if it were possible for them to get fifty cents on the dollar from their debtors they could carry on. With that money they could go to the wholesaler and come to some arrangement with him, but it does not avail them anything to write down debts fifty per cent and receive no money at all.

In my part of the country I do not know how they are going to put in a crop this spring if they have no money, and most of the farmers have not a dollar. During the last three or four years the deterioration in machinery has been something terrible, and the trouble has been aggravated by the dryness, because the land is so dusty that the machinery deteriorates much more quickly than it would ordinarily. But I have not given up hope, Mr. Speaker. There is a future before us. I have lived in that part of the country for thirty years and until a few years ago I never had a complete failure, though I have experienced two now.

About the first of November I had occasion to visit the dried out area in my constituency, a district about seventy-five miles from where I live, where they have had four complete failures. In this district there are mostly Finlanders, and I attended a meeting of the ratepayers' organization, comprising some two hundred of these people. When they got to the meeting these farmers were apparently so discouraged that they almost felt like hanging the reeve of the municipality, whom they blamed for the plight in which they found themselves.

An hon. MEMBER: A member of parliament?

Mr. LOUCKS: No, he was not a member of parliament. I was told that if I got on the platform something might happen to me, but I did. I told the chairman of this organization that I was not afraid to face my audience and so I got on the platform and spoke to these men—there were women also—for three-quarters of an hour, and then I suggested to the chairman that he should throw the meeting open for a sort of fellowship meeting. He did so, and I should like to give you the testimony of some of these people, not all Finlanders. One man said, "I went through the great war, fighting from the beginning to the end. To-day I have a family of seven. This morning I took five of these children to school without any shoes on their feet, though it is the first of November. But I am determined to keep my children at school as long as I can." There was condemnation, not of this government but of the provincial authorities, on the ground that all they were allowing these people was $5 for adults for clothing. This man said it would not buy a pair of boots, and yet he had seen billions of dollars blown away in the great war. He said he had put in his crop the last year in the hope that there would be a harvest, and there he was, unable to get enough money to buy boots for his children. But what encouraged me, Mr. Speaker, at this meeting of two hundred ratepayers, was the optimistic spirit of the farmers after all that they had come through. They said that if it were possible for them to obtain a little bit of money to carry them along they were quite willing to continue.

When we reflect that a few years ago that country produced great crops, we cannot think that there is no future ahead of us. Indeed, the possibilities in Saskatchewan may be beyond the comprehension of some eastern people. We have excellent soil there; some of the best of it lies in that dry area. Would it be advisable therefore for these people to move to the western states, when we know that the same condition prevails right down to the gulf of Mexico?

I am glad that the Minister of Finance is taking steps to help the farmers out of their difficulties, making it possible for them to pay back the money in the future. But as I said before, I feel very strongly on the question of interest, which in my opinion should not be more than four per cent. When we take into consideration the overhead and administration of some of these mortgage companies, I think we are justified in the contention that interest should not be higher than that rate. In our section of the country many of the farmers are to-day assigning a third crop to the mortgage companies. Let me point out what happens in connection with those mortgages. An agent comes out and drives all over the farm to see how the crops are coming along and all this overhead is charged to the farmers in my section. There is no necessity for this because a crop survey is made every year. It is clear that a great deal of this overhead can be eliminated.

Further, the dominion government, if we are going to get lower rates, must set the example. There is no use in going to the mortgage or insurance companies to endeavour to get them to charge a lower rate. If the government cannot get cheap money for us it is hopeless to expect to get it from the mortgage and insurance companies. Just a few days before I came to Ottawa I visited the court of review in Saskatoon and I met the manager of the Toronto General Trusts Corporation. He knows me well. He said to me: "Look here, Bill, the government has not gone far enough yet. Do not forget this: we who represent the trust company are obligated for a great amount of money over in Great Britain; we are obligated also to insurance companies at a certain rate around five or five and a half per cent. The government of Canada should go to the fountain head, to those who loaned us the money, and see if something cannot be done by them to bring the rates down; then it will be possible for us and the other companies to meet the request of you farmers." In other words, he said: We are still obligated for five or five and a half per cent interest to big financial firms in Great Britain and even to insurance companies, some of them in this country, who have loaned us a great deal of money, so you see the necessity of the government going to the fountain head to find out if something cannot be done. While I have great sympathy for widows and orphans, I do not believe at the present time there is much money invested by the widows and the small investors; I think most of this money that is being administered through the mortgage companies is coming from big financial concerns. When I think of the farmers who went from eastern to western Canada, many of them from Ontario—and I am one of them—who took the risk and went out to the west as they did, investing there what they had, and who made good and made that country one worth while to live in, every consideration should be given by this government to those people so as to retain them on the land, looking forward to the time when conditions will improve.

The hon. member for Toronto Northwest (Mr. MacNicol) suggests that I should give the house some information as to what we have accomplished in that western country. The amount of wealth we have produced is too great to be realized, but billions and billions of dollars' worth of wheat have been taken out of western Canada. When I think of my own little town of Delisle shipping over a million bushels of wheat in 1915, Rosetown shipping over a million bushels, and similarly with different towns all along the line—that was when wheat was at a much higher price than it is to-day—I think I am safe in saying that money has come from western Canada to the east in billions. One unfortunate circumstance affecting the people out there is that when the price of wheat went down so low the price of the things they consume did not fall commensurately, and that was pretty hard on the farmers.

Some hon. MEMBERS: Hear, hear.

Mr. LOUCKS: I agree with that. I may say to my hon. friends opposite that I do not attribute it to the tariff; all we have to do is to take note of some of the investigations made by the price spreads committee. We know what is happening to-day. The government has been blamed for some of the things that have happened, but our answer to that is, no; the distributors or the middlemen have been getting too large profits. It has been a money making business for the middleman, but it has not been so for the producer or the consumer. When legislation is introduced based on the report that will be received from the price spreads committee I believe things will be made more equal, instead of twenty per cent of the people being on the pinnacle and eighty per cent down in the valley. Much credit should be given to the government for the bold stand they took in setting up that committee.

It is a pleasure to know that at the present time through good management our government is so financially situated that it is now possible for the Prime Minister (Mr. Bennett) to inform the house that it can finance the farm loan board to the extent of $90,000,000 or $100,000,000, and with a continuance of the good management that we have had in the past, wonderful results should be achieved. I am glad to support the resolution.

Mr. C. A. CAMPBELL (Frontenac-Addington): Mr. Speaker, I wish to thank hon. gentlemen for allowing me to say a few words in regard to this resolution. I rise with a good deal of trepidation, this being my maiden speech in this chamber. I have listened with much interest to this debate, expecting that it would take on the aspect of a discussion of a resolution regarding a federal farm loan act, but I note that a good deal of it has been concerned with what has happened in Ontario in regard to the agricultural development board.

Just in passing, before I speak directly to the resolution, it is only fair that I should say something respecting the working of that board during the last five or six months or a little longer. It is very true, as the hon. member for Dufferin-Simcoe (Mr. Rowe) and the hon. member for North Grey (Mr. Porteous) have said, that during last summer and up to the present time many people in Ontario have been looking for loans. It is also true that a good many applications were received by the board prior to the election held on June 19 last, and that many of those applications were approved just prior to that election, and that some of them have not been approved by the board to the extent that a loan has been made. I want to make it clear to all hon. members that prior to the month of May the interest rate on farm loan mortgages in Ontario stood at six per cent. During the provincial election campaign, in which I had the privilege of taking an active interest, it was announced that that rate would be lowered to five and a half per cent and, as has been stated by the hon. member for Southeast Grey (Miss Macphail), it was cut to five per cent during the heat of the election. The people throughout the province did not really know just what was happening. When the new provincial government took office they made an investigation to find out just how the agricultural development board stood, and they discovered that some $55,000,000 of the people's money had been loaned throughout Ontario. One unfortunate experience was that many loans had been made, not for the purpose of allowing a farmer to permit his son to purchase a farm and some new stock and start up in business, or for the farmer to improve his farm by building a new barn or house, but rather at the instance of influential people, supporters of the late government, and the fact is that they wanted to turn to the agricultural development board many mortgages which were due and on which the interest was very much past due. That is a serious statement to make, but it is a fact that has been ascertained. Other instances were found in which the board had neglected their business to such an extent that the new board found themselves the owners of many farms on which taxes had not been paid for two or three years. In the township south of the one in which I happen to live, the agricultural development board now has on its hands four farms, on two of which there was no tenant and the taxes had not been paid for over two years; and in one instance the farm was advertised for taxes last fall and redeemed by the board. When the new board made a survey they found that if this $55,000,000 odd of loans were liquidated the province of Ontario would suffer a great loss. Therefore they reorganized the board, made further investigation, and it was decided to carry on. They are trying to sell many of these farms, and the province of Ontario will, no doubt, not suffer as great a loss as at first seemed possible.

The statement was made this afternoon that no loans have been made by that board. I happen to know that during the months of November and December some seventy-two loans were made, amounting to something like $140,000, or an average of about $2,000 each. These loans were made to people who wanted to purchase stock or improve their buildings, or who had sons that they wanted to start on farms for themselves—the purpose for which the board was originally started. It was announced by the present federal government just after the election that the farm loan board and the Farmers Creditors' Arrangement Act would be in operation in the near future, and it was intimated that the interest rate charged would be somewhat lower than was current in Ontario. Consequently I have no doubt received as many applications as the hon. member for North Grey or the hon. member for Dufferin-Simcoe. Many of these people have withdrawn their applications from the provincial authorities, or the agricultural development board of Ontario, waiting to see what is going to happen in the working out of this farm loan act. It was also announced by the Ontario agricultural development board some time ago that the interest rate there would be only four per cent. That was to come about because they said they would be willing to pay the difference between what the federal farm loan board would charge for the money loaned under this act and the four per cent. I note however that the Minister of Finance (Mr. Rhodes) said to-day that that arrangement would not be allowed to be carried out. Therefore the farmers of Ontario are to be deprived of the chance of receiving money at four per cent, unless the government will consider lowering the interest rate to that figure.

Mr. RHODES: If my hon. friend will permit me, I regret to have to interrupt; it is quite contrary to my custom, but he is under an entire misapprehension in saying that the minister said that any action of this government will prevent the people of the province of Ontario from receiving money at four per cent.

Mr. CAMPBELL: I did not mean just what I think the minister understood me to mean. I merely state that the province of Ontario announced through the Minister of Agriculture that money would be made available on farm mortgages at four per cent. The plan would be that the money would be borrowed from the federal farm loan board, and if the interest rate were higher than four per cent the provincial government would for the benefit of the farmers pay the difference between the four per cent collected from the farmers and the rate paid to the farm loan board. I mention that, as I understand from what has been said to-day that the farm loan board is going to operate as a federal body and that the provincial boards will have nothing to do with it. By that action the people of Ontario will be prevented from receiving that benefit.

Mr. RHODES: If that happens it will be the fault of the provincial government, not of this government.

Mr. CAMPBELL: No; I want to go a little further. The Minister of Finance and his government still have a chance to give to the people of Ontario that benefit by a reduction of interest rates to four per cent. This is a vital point that I want to make clear. Notwithstanding the claims made by the hon. members from western Canada I represent probably the most agricultural riding in the dominion; there is only one incorporated village in my riding, and that has only seven hundred people. The people in my riding are farmers, with a few miners and lumbermen. They represent probably the most substantial class of citizens that this province is privileged to have. They are all descendants of United Empire Loyalists; they have resided there for many years; the farms are mostly owned by their occupants and have been in the family for generations. The only sales made are probably from one family to another as a farmer wants to get a farm for his son. Unfortunately during the last two or three years, on account of falling revenues, the father is not helping the son out, and consequently we have in the counties of Frontenac and Lennox and Addington a large number of farms for sale, and a large number of farm boys for whom farms cannot be bought on account of the interest rates that would have to be paid on a mortgage; consequently they are just staying home and living off the parents. If the Minister of Finance would study the amount of production from the agricultural industry for the last five years he would find that it is impossible for anyone connected with that industry to pay more than three per cent. I have no doubt that even though interest rates should be down to four per cent many mortgages will be in arrears for interest, on account of local conditions, sickness or otherwise. But the government must take cognizance of the fact that the farming and agricultural industry needs just as much help as do the labouring people who by reason of the present tariff and other policies of this government find themselves out of employment.

This morning I received two letters from constituents saying that the mortgages on their farms are held by estates—two different estates, I may add; there is no connection between the two, because the farms are in different townships. It is necessary that both estates be wound up in the near future. In both cases the lawyers find there is no money available to have someone else take over the mortgage, at any interest rate. Probably there are many cases of this kind throughout the whole dominion. Either the farmer must lose the farm through foreclosure or the estate must take less money for a quick settlement. If the government could see its way clear to allowing money to be loaned at a reasonable rate of interest, it would be a very great advantage to the farmers and also to people holding mortgages in cases such as I have just mentioned. I am not going to say what the rate should be; I do not wish to take up too much time, but the fact is that unless you lower the interest rate to around four per cent either this government or the government to follow will have a very sad experience in connection with the collection of interest and principal.

I want to point out something further. All during my recent election campaign the question of lower interest rates, not only on farm mortgages but on government loans and so on, was debated at great length. I was criticized by some hon. gentlemen opposite for the statements I made, but I want to point out that the people of Frontenac-Addington, composed mainly of agriculturists and who realize the severe burden they are bearing at the present time, by electing me have asked this government to reduce interest rates to the greatest extent possible.

Mr. SAMUEL GOBEIL (Compton): Mr. Speaker, I wish to add a very few remarks to what has been said already in connection with this measure. I do not think the govern-

ment can be too highly praised for the amendments proposed. There are several reasons why I make that statement, some of which have been stated already.

The first change suggested is the elimination of the provincial boards, and I am very glad to be able to say that I find myself in perfect accord with some hon. members opposite, especially the hon. member for Gloucester (Mr. Veniot), in their expressions of opinion as to this move. By the way, I should like to remark that for the last week or ten days we have been witnessing quite a strange scene. Since the house opened we have been told by some hon. members opposite that the radio speeches of the Prime Minister (Mr. Bennett) were delivered only for the purpose of getting votes; one hon. member went so far as to call them bluff. But when these reform measures are brought down, what do we see? Even hon. members opposite are very anxious to rise and place themselves on record as approving them.

Before I digressed, Mr. Speaker, I was saying that I find myself in accord with the hon. member for Gloucester with regard to the provincial boards. I do not wish to say anything in a political way in regard to those boards, because I do not believe in giving the last blow to a dying man, and if my judgment is correct these boards are on the eve of passing away. But at least this will clear up the situation. Certainly I have had more correspondence in regard to farm loans than in regard to anything else during the past four years. Sometimes I have had to write three or four letters to the same man, all because responsibility could not be placed. I do not wish to say anything harsh with regard to the inspectors or even the members of the provincial boards, but the personnel of the boards was submitted by the different provincial governments, and it goes without saying that most of those appointed—and in the case of our province I think I can say all those appointed—were of the same political faith as the provincial government. So it was only to be expected that even if there was no partiality the people whose applications were refused would think this had been done in many cases because of their political faith. I do not suggest that all who apply for loans in future will get them, but at least they will know who refuses the loan. They will not be told by one person that their loan was refused by the provincial board and by another that the loan was refused by the federal government. That is one desirable feature of the suggested amendments.

Another improvement I wish to commend is the fact that in future borrowers will not have to contribute five per cent of the loan. This was another bad feature of the act, and the borrowers could not understand why they should be borrowers and lenders at the same time. Many times a farmer who needed $1,000 found that, in addition to what it might cost him for a clear title, he received only $950 instead of $1,000, because he had to subscribe five per cent of the loan.

Mr. VENIOT: The resolution does not say that is to be changed.

Mr. GOBEIL: I understood the Minister of Finance (Mr. Rhodes) to make that statement.

I also wish to join with the hon. member for Gloucester as to the matter of titles. Probably the government cannot help themselves—

Mr. VENIOT: Yes, they can; let the government fix a fee.

Mr. GOBEIL: That might be done. I should like to point out that in the province of Quebec the situation is worse than it is in other provinces. I could mention two cases in my own parish. One man borrowed $1,500, and the cost of securing a clear title was $149. So, with the five per cent that he had to subscribe to the board, instead of receiving $1,500 he received not quite $1,300. I know of many other cases where the cost was well over $100.

I had a note before me in connection with appraisers, a point mentioned by the hon. member for Gloucester. I do not believe it is necessary to go into the matter in detail, but I may say that I agree with him. If I were to suggest anything to the government it would be that they should choose appraisers carefully. I make the suggestion without any thought of criticism. Although in the province of Quebec we have had some very worthy appraisers, on the other hand some had no experience in farm values and a few were nothing more or less than political appointees. It may be that most new appraisers named by this government would be Conservatives—I hope most of them would be—but I would find no fault if some were Liberals. First of all, I would say, "Get a good man, a man with experience who knows the values of farm properties and who could do justice not only to the government but to the borrower."

I believe I have nothing further to say on the resolution, although I may make some

additional observations when the bill is before the house. For the time being I shall conclude by saying that I heartily endorse the principle embodied in the resolution.

Mr. G. G. COOTE (Macleod): Mr. Speaker, so much has been said in regard to the resolution that I have only one or two observations to make. I feel that there are two points which should be emphasized even to a greater extent. The first is that the Canadian Farm Loan Act and the Farmers' Creditors Arrangement Act were what might be termed companion bills. I think one hon. member said they were twins. I believe the two acts should be taken together when we are dealing with the farm debt and farm credit situation. I have discussed the matter with men who have been actively connected with the administration of the Farmers' Creditors Arrangement Act, and it is only because of representations made to me by them that I now speak.

The greatest difficulty farmers find to-day in making arrangements with their creditors under the Farmers' Creditors Arrangement Act is that there are no credit facilities available to them. Many of these men who wish to make arrangements with their creditors could do so on favourable terms, if they could get the cash to turn over in settlement of whatever percentage of their liabilities is agreed upon. A great many men could obtain a fifty per cent reduction of their liabilities if they could get a loan for that amount. Of course that is if the whole proceeds could be turned over to their creditors. It seems to me that if in many cases the farm loan board were given instructions by the government, instructions which I think the government should take the responsibility of giving, loans could be made. In other words, I wish to agree with what was said so well by the hon. member for West Edmonton (Mr. Stewart). In my view the time has come when in the national interest as well as in the interest of agriculture the government should show their willingness to assume some of the risk entailed in granting loans. I believe they should say frankly to the men administering the farm loan act, "We anticipate you will have some losses, and we do not think it necessary that all the losses you incur in making loans in these times must be charged up to the operation of the act and included in the interest you are going to endeavour to collect from the people to whom you make loans." It would be far better for the board and for the government to have loans under the farm loan act in respect of which they would have a reasonable expectation of collecting the interest named on the face of the mortgage, because once a large number of borrowers get in arrears and find they cannot pay there seems to be a temptation for those who perhaps, by struggling hard enough, could pay, to allow their interest payments to stand.

I would have a great deal of sympathy with any person administering the farm loan board to-day. I do not mean to say that I excuse all the decisions the board has made in the past, but unless they have some specal instructions from the government, or provisions in the act to warrant their running risks, they will not take them. They know perfectly well that the present level of farm prices is such that in many cases the loans being applied for are too large. That is, the earning capacity of the farmer, due to present price levels, is not sufficient to pay the interest. Those in charge of farm loans do not like to have loans placed on their books which they have no good reason to believe will be kept in good standing. There is no guarantee given to the farm loan board that price levels will be raised. We know that at the present time there is a slight raise in price levels. I have before me the last monthly statement of the Bank of Nova Scotia in which are set out farm revenues in the Dominion of Canada for the past three years. I have worked out the figures on a per farm basis, and without going into detail may I say that the average farm income in 1928 was approximately $1,600. In 1932 it had fallen to $630, in 1933 to $600, and in 1934 had raised slightly to $745. There has been a slight increase, but not sufficient to enable the farmer to pay any interest, if he is giving his family a decent standard of living. Any hon. member could easily demonstrate that it was easier for a farmer to pay eight per cent in 1926 than to pay anything to-day. As a matter of fact interest can come only out of farmers' surpluses. It can come out of the revenue available after his living and his necessary expenditures have been deducted, and we know that for the last three or four years there has been no such surplus. If the farmer has paid any interest at all he has paid it because of a reduced standard of living or from capital savings. He may have used his insurance savings. The difference between $1,600 in 1928 and $600 in 1933 has taken away the farmers' ability to pay taxes, to pay interest, to buy new machinery, to pay insurance premiums and to provide for the health and education of his family.

At six o'clock the house took recess.

After Recess

The house resumed at eight o'clock.

Mr. COOTE: Mr. Speaker, when the house rose at six o'clock I had been emphasizing that in my opinion it is necessary that greater facilities be provided under the Farm Loan Act if the Farmers' Creditors Arrangement Act is to effect anything like the purpose for which it was intended. I simply want to say in that connection that I think the rate of interest should not be more than four per cent, and if these greater facilities are to be provided at a rate which agriculture can pay, it is quite clear that the government must be prepared to assume some liability, at least enough to take care of that part of the rate of interest which has always been added in order to cover the risk of loss. I am not going to labour the point any further because I think it has been emphasized several times this afternoon, so that the minister must surely be convinced by now that this is really necessary.

I have had several cases brought to my attention of men who have been endeavouring to get loans, and who have not found it necessary to make any arrangement with their creditors under the Farmers' Creditors Arrangement Act. I shall mention only one which I think is typical of a good many others. This farmer has a small farm of 160 acres, sixty acres of which is broken. He has I think fifty head of cattle. He is trying to get a small loan to enable him to put up some better buildings, particularly a dairy barn, but so far he has been unable to interest the board even to the point of encouraging him to send in the $10 to cover the inspection fee. It may be that the board in their wisdom feel that they cannot make that loan, but it does seem to me that we must have some better credit facilities for agriculture that will enable a man in that position to get a small loan in order to put him in a position where he can produce under more favourable conditions. I have seen enough correspondence to convince me that a more liberal loan policy must be adopted on the part of the officials in charge of the board if the Farm Loan Act is to meet in any way the present needs of agriculture in the matter of credit facilities.

Without taking up any further time of the house I would again urge on the minister that the government, in whatever legislation they bring down, provide in it or decide as a matter of government policy that the government itself will assume some of the risk in connection with the losses that will be made from now on.

Mr. A. L. BEAUBIEN (Provencher): Mr. Speaker, I should like to offer a few suggestions to the minister and the house based on the conditions that I have found prevailling in the riding that I have the honour to represent. During the last three or four years I have had occasion to come in contact with farmers' indebtedness to a very large degree, and the conditions I have found are these—and incidentally may I say that I do not think anybody can discuss this resolution without linking it up with the Farmers' Creditors Arrangement Act.

In my riding the average farm consists of 240 to 320 acres. We will take, for the sake of argument, a farm of 320 acres. Say that a man owes $8,000 on a half section of land. If he is able to take advantage of the Farmers' Creditors Arrangement Act and get his indebtedness reduced, say, fifty per cent, that still leaves him with an indebtedness of $4,000. Now if this resolution and the bill to be founded upon it will take care of such a case and allow a man who has had his indebtedness reduced say forty or fifty per cent to consolidate his remaining indebtedness in one loan spread over a period of years, twenty or twenty-two years I think the act says, and only very small annual payments are provided for, he might be able to get out from under. But unless the Farm Loan Act and the regulations that will govern its administration are able to take care of that situation I doubt very much if we are going to make much headway in the readjustment of farmers' indebtedness. In the last few years I have found that many creditors were willing to make readjustments, but they all asked the farmer: What consideration will the loan company get if I reduce your indebtedness? The farmer finds himself in a position where he is unable to say to the loan company or to any of his creditors: I will give you your cash if you will reduce my indebtedness.

I do not think there is any great demand in the country for new loans. Of course there might be in certain districts where people want to get a start, but in my opinion the great demand is to relieve the farmer of the indebtedness which he incurred during the period of high commodity prices, and unless this act takes care of that situation so that the farmer after he has had his debt readjusted will be able to consolidate his remaining indebtedness in one loan, I doubt very much whether this legislation is going to be a success.

May I make these few observations to the Minister of Finance (Mr. Rhodes)—and I do not do it at all in any way of criticism

of the Farmers' Creditors Arrangement Act which was passed last summer. Probably it took a little time to get the act under way. As far as I can find out, in the province of Manitoba the board of review has not as yet given any decisions to speak of; if so, it must have been very recently. I find this fear existing, that the farmer was not sure whether the board of review had the right to force a secured creditor to readjust the farmer's indebtedness. In fact I took this matter up with several legal minds in the city of Winnipeg, and I have not yet been able to get a clear and definite understanding whether the board of review has or has not the right to say to the secured creditor who has, say, a first mortgage on the farm: You will have to take so much, and the readjustment will be based on the value that you voluntarily put on the productivity of the farm, or that the board of review puts on it.

When the provincial boards are abolished I assume a provincial representative will have to be appointed for each province. I trust that these representatives and the board here in Ottawa will make every effort to relieve the farmer who is indebted to such an extent that he will never get out from under unless he is able to readjust his debt under the Farmers' Creditors Arrangement Act, and I would urge that the board be not too critical of the loans after the man's whole indebtedness has been reviewed by the receivers and the board of review under the Farmers' Creditors Arrangement Act. If this legislation, with the increased credit facilities that are to be placed at the disposal of the board, is administered as it should be, and if due consideration is given to the ability of the farmer under present conditions to pay and to the capacity of his land to produce enough to pay at present prices, some good might be accomplished. But even when you have reduced your debt by say fifty per cent, calculate on the basis, not of $8,500 but of $4,000, at 5½ per cent, and you have $220; and then you have to figure on your municipal and school taxes, at least fifty cents an acre. You must also take into consideration repairs and upkeep of buildings, which would not be less than $100 a year. Then there are other incidental expenses which would add to your overhead, to say nothing of the cost of seeding and of harvesting your crops, and many other costs which enter into farming. So that when you take all these things into consideration the farmer will still find it very difficult to make both ends meet. It is therefore only by amortizing his indebtedness, consolidating it under one head and making small annual payments, the rate of interest being reasonably low, that he can clear his home from indebtedness.

I offer these suggestions in the hope that they will be considered. Very often we feel that the officials are not administering the act as we should like them to, but the difficulties are numerous and they do the best they can. At the same time I think the government should instruct the boards which will administer the act to carry out its provisions having in mind present commodity prices and the conditions that exist in Canada at the present time.

Mr. J. S. STEWART (Lethbridge): Because the amendments which are proposed are of great interest to the farmers of southern Alberta I beg the privilege of taking up a few minutes of the time of the house. Before proceeding to give the house some suggestions based on actual examples that have recently come to my knowledge, I think I should make a short statement in all fairness to the Alberta provincial board—that is, the board that looks after farm loans in that province. As we were told this afternoon, some $15,000,000 has been provided for loans to farmers throughout the dominion, and in Alberta a very small proportion of the money has been lent to the farmers, one of the chief reasons being the provincial legislation which was enacted about the year 1926 and which we call the Debt Adjustment Act of Alberta. Should a farmer get into financial difficulties he seeks the shelter of this act and creditors find it almost impossible to obtain any of the money which they may have advanced to the farmer. Consequently the operations of the provincial farm loan board have been greatly restricted.

I will venture to present to the minister for his consideration four examples that have come to my notice from farmers living in my riding. The first relates to loans on irrigated lands. Most of these lands are held of course under agreements of sale, but we have a goodly number of farmers living on Canadian Pacific Railway lands, holding title to their farm lands, some to the extent of 320 acres. They own this land outright and the only tax which they have to pay outside of school taxes is the annual irrigation tax amounting to $1 an acre. Living within four miles of Lethbridge there is a farmer who owns 160 acres of irrigable land to which he holds free

title. On this land he has a magnificent brick house and a barn which would do credit to any farm in Ontario; and yet, although he has to pay only $160 a year water rental, he is not in a position to have his application for a loan considered by the Alberta board. There are quite a number of farmers in southern Alberta similarly situated and it seems to me that the government should take this example into consideration and alleviate that condition. That man surely is entitled to get his loan at five per cent just the same as any other farmer living in southern Alberta.

The second example is one with which I am very familiar. The hon. member for Souris (Mr. Willis) this afternoon mentioned a similar example in his own constituency. In the southern part of the riding I represent there is a farmer who owns 2,000 acres of land. He has a home that cost him at least $6,000, in which there is every electrical convenience to be found in Ottawa. His barns are lighted by electricity, he has at least 30 horses, $15,000 worth of machinery, and he owns the 2,000 acres outright, without one cent of mortgage or debt against the property. Moreover, he has made the money with which to purchase this land in the very district in which he now lives, and yet he cannot get one cent by way of loan from the Canadian farm loan board. Why? Because he lives in what is known as the drought area. I have known him for twenty-seven years and he has never had a crop failure and has enjoyed a good standard of living. Notwithstanding what has been said by some hon. members in this house, some of the farmers in southern Alberta, in fact a goodly number of them, enjoy a good standard of living even in these hard times. In order to meet the present unfavourable situation the farmer goes to the bank, and with all these assets, and not owing a dollar, he borrows in the neighbourhood of $2,000 and is charged seven per cent. They discount the note, and when he renews it three months afterwards it is again discounted. That situation should be taken care of. No man could have that estate in southern Alberta, accumulated in twenty-seven years, even though in a semi-dry district, without having had at least good average crops. And he comes from one of the best Scottish settlements in the dominion—I leave hon. members to draw their own conclusion as to where that may be. The one thing he does not want to do is to put a mortgage on his home, because he has never had one yet. But owing to circumstances over which he has no control he desires a loan, and yet with assets amounting to $40,000 or $50,000 he cannot get a dollar.

A little distance away from that gentleman there is another farmer residing in southern Alberta who has complained to me about the operation of the act. This gentleman bought two half sections for which he paid $30 an acre, or $9,600 each. One he bought in 1917 and one in 1918. On the one which he bought in 1917 he has paid $8,580 odd and he still owes over $9,000; on the other half section he has paid $9,800 and still owes over $8,000. In seventeen years in the one case he has made an average payment in interest or principal of over $500 per annum. It ought to be a pretty good country in which to live when a man can maintain his home and family and still be able to pay off that amount of interest or principal each year. In the other case he has paid off an average of $600 per annum. During all this time he has kept up the payment of taxes on those two half sections; each year he has given at least from one-third to one-half of the crop to the parties from whom he purchased the land and he has bought $12,000 worth of machinery. I would like to inform the hon. member for West Edmonton (Mr. Stewart) that there are some good sections in southern Alberta, chiefly in the Lethbridge riding. This farmer goes before the official receiver and possibly may eventually get to the board of review in regard to compromising his debts. He is a good Canadian citizen. In the seventeen and eighteen years he has paid nearly $18,000 in interest and principal on those two half sections and he still owes that much more. He can never under any such conditions as prevail at the present time pay off that loan; he must get some help, and when he comes to the board of review or the official receiver he finds that he cannot get any loan from that organization.

As many hon. members have already stated, these two bills are companion measures. There must in my opinion be provision made by amendments either to this act or to the act concerning compromises with creditors, whereby a man similarly situated to this farmer will be able to get assistance to enable him to pay off his debts if he receives a reasonable adjustment. Where should he apply for this assistance if he does not go to the farm loan board?

The fourth case is similar to some that were mentioned this afternoon. There is in another part of my riding a widow who had almost enough boys to make up a full baseball team.

For thirty years they lived in southern Alberta. As the boys grew up they wished to get farms of their own and wanted to buy land in the immediate neighbourhood. The older boys succeeded in buying their farms and securing each a half section, but the two younger ones now find themselves in the position where although they have the machinery, the power and all the implements required to carry on scientific farming, they lack the capital to enable them to make a purchase of or a payment on some land which they now have under option and on which they would make their homes. It seems to me that bona fide Canadians who have been reared in our country, especially those who have been reared in Alberta and who know the conditions there, should be given an opportunity to purchase farms and get the money at a reasonable figure in order that they may be able to become the good substantial citizens they hope to be. These four cases are fair examples of those which have come under my observation and which I hope will all be covered by the legislation which is now before the house.

Mr. THOMAS REID (New Westminster): I desire to make a few remarks on the resolution now before the house in connection with amendments to the Farm Loan Act. At the outset let me say that I agree heartily with the observations of other members who have spoken about the high interest rates; I also have come across them in my travels through the lower Fraser valley, and they are working a very severe hardship, shall I say, on the farmers of that district. I listened attentively this afternoon while some angles of the subject were under discussion. Still there were some aspects which were not touched upon at all, and these I would like briefly to mention.

The Minister of Finance (Mr. Rhodes), if I interpret him aright, in speaking about the cost of borrowing said that it might take one per cent to be a safe coverage, but that it was estimated that two per cent plus the cost of borrowing would be necessary to carry out safely the operations of the act. I believe I interpret him correctly in that regard, but I wonder whether he has taken into account the question of equity. While it is true that it may take one per cent to be a safe coverage so far as the financial end of the matter is concerned, I just wonder whether the minister has thought about the equity that the farm loan board has in these farms. In connection with that I might point out that the situation in the lower Fraser valley to-day is that the equity of the farmers is completely gone, but the equity of the government through the farm loan board still remains. Let me cite one case; many could be cited, but the one I am going to give illustrates the point I am endeavouring to make. This farmer has $12,000 cash equity in his farm, which was valued at one time at something like $18,000. To-day the equity of the board in the land which the man has is $4,110. If the farm were sold on the market at this time at a price similar to that at which neighbouring farms are selling, it would not bring more than perhaps $5,000; but it would bring $5,000, because, as I pointed out, some $18,000 have been expended and the present proprietor or owner has put into that farm some $12,000 in cash. I wonder whether the minister has considered the situation that the farm loan board of the government is adequately safeguarded in regard to land while the equity of those under the act is at the present moment at least entirely gone. That some notice has been taken by the board of falling revenues is evident, I might point out, from the fact that when farm values started to go down the farm loan board demanded more security, and if in their estimation the security was not considered sufficient they put a chattel mortgage on the stock. I would like to say in regard to this action that while it is very true that a mortgage on the land is bad enough to carry, it is certainly crucifying the farmer when he is not allowed to sell stock owing to the fact that the government through the farm loan board have a mortgage on it. That phase of the matter should be looked into and chattel mortgages removed so that the farmer, if he sees fit, will be able to sell any stock off his farm. Land values have gone down, as I pointed out, from a value of $250 an acre in 1928 to around $75 an acre. As I have already pointed out, the total security of the board is still in existence.

Something was said this afternoon regarding the five per cent share capital which the farmer is charged out of his loan. I noticed when the minister was reading the resolution that he spoke of that being done away with in the future and the share capital put up by the various provinces being returned to them. This is not the proper time to ask questions, perhaps, but I should like to know what is going to be done about the share capital that the farmers have in the various loans. I should like to read the notice sent out regarding share capital, because it is striking in view of a comparison with share capital in any business organization. This farmer had a loan of over $4,000. The notice says:

You are also shown as the holder of 215 paid-up shares of the capital stock of a par value of $1 per share.

Most people if they own shares in a company look for some return by way of profit, but the very reverse is the case with farmers who have obtained a loan under the Canadian Farm Loan Act. Not only was five per cent deducted from the loan and shares issued to them, but in turn they were called upon to pay interest on the shares. In discussing the matter with farmers in my district I find that they feel very badly about having to pay interest on shares which they never owned. Before I left to come to Ottawa some twenty-five farmers gathered in the municipal hall at Cloverdale, and asked me to attend the meeting. I found that each and every one of them felt that it is the interest that is crushing them out of existence. I am not going into the question of low prices for farm produce at this time and the inability of farmers to pay; I think that is only too well known. But when we find farmers who in past years have paid their interest and their principal and have kept up their taxes, municipal and dyking and otherwise and who find that they now owe $500 and over for interest on a loan of $4,000, it is little wonder that they feel very much discouraged. As the hon. member for Macleod (Mr. Coote) pointed out, some farmers who have been paying in the past and have struggled to keep up their payments feel that if others are not going to pay neither should they. It is only with great difficulty that they have met payments, denying themselves many things in order to do so, while others are not paying at all, and because they cannot.

In connection with the five per cent share capital I was wondering if this would be coming back to the farmer. I make this suggestion to the minister: that note be taken of the share capital which was in the first instance deducted from the loans now outstanding and that this amount be deducted from the total interest owed. That would be a great help to the farmers at the present time. Then there is the question of solicitors' fees that I think should be looked into. I know that in registering mortgages in the land registry office there are some costs, but in my opinion there is no reason why a farmer should have to pay $15 to a lawyer for making out the papers in connection with a mortgage to the farm loan board.

Speaking now in regard to the Canadian Farm Loan Act and the Debt Adjustment Act, I might point out that so far as British Columbia is concerned these two acts are not in accord. No doubt most hon. members will remember that when the Farmers' Creditors Arrangement Act was before the house the Prime Minister (Mr. Bennett) changed the definition of the word "farmer." In the Canadian Farm Loan Act the definition of "farmer" is somewhat different from that found in the Farmers' Creditors Arrangement Act. When it was under discussion last year those of us who come from British Columbia pointed out that to enable farmers on small holdings, five and ten acre men, to come under the act the word "farmer" would have to be defined differently, so it was changed to read:

"Farmer" means a person whose principal occupation consists in farming or the tillage of the soil.

It was thought that would cover the five and ten acre men in British Columbia. But in the Canadian Farm Loan Act it is not so clearly defined. It reads:

"Farming" includes stock raising, dairying and the tillage of the soil.

So we find that when those in the greenhouse business or the poultry business in British Columbia apply for a loan they are told that those in the greenhouse business or perhaps growing vegetables on five-acre holdings do not come within the act as at present constituted. I invite the minister's attention to that in order that the Canadian Farm Loan Act may be changed to conform to the Farmers' Creditors Arrangement Act in that respect.

Regarding valuation, the creditors act passed last year has not worked out as many of us thought it would. I am going to cite two cases from the lower Fraser valley to show that under present arrangements it is almost impossible for a farmer to obtain an adjustment under the Farmers' Creditors Arrangement Act. To quote only one or two cases, one man had a mortgage of $9,000, which he had obtained in fairly good times. Finding himself in great difficulty last year he looked around for relief. He appealed to the mortgage company and the company said: "If you can procure $4,500 we will accept that in lieu of the $9,000"; that is, they agreed to cut the mortgage in two. So he went to the official in charge of the operation of the Farmers' Creditors Arrangement Act, who suggested that he apply to the farm loan board for a loan. But according to the valuation provisions in the Canadian Farm Loan Act the greatest amount that the board would loan

that man was $4,000, because the valuation in British Columbia must not exceed $100 per acre, and the loan must not be over fifty per cent of the valuation, plus twenty per cent on the buildings. Therefore that man was denied the opportunity to save the $4,500.

The other case was that of a man who had a mortgage of $6,000, and the mortgage company agreed to take $3,000. But he found himself in difficulty in an endeavour to procure $3,000 from the farm loan board, although if he could have raised that money he would have saved $3,000, and had his loan cut in two. I suggest that that condition be taken into consideration and the two acts brought into conformity. I have no particular fault to find with the board or the officers of the board; they are servants of the crown carrying out their duties and doing their work in a businesslike way, and of course they must conform to the provisions of the act. Any changes should be made by parliament, and now is the time to make them.

Now I should like to make a suggestion to the minister with regard to appraisals. Ten dollars may seem a small amount to have to put up, but to a man who is going around looking for a loan it is a considerable amount. It is evident that if he is looking for a loan he has very little money, and ten dollars represents quite a sum. So I am going to make this suggestion to the minister: why not have the appraisals made by officials of the soldier settlement board, who are doing all the appraising in the Fraser valley? That is no new departure. We have the Canadian pensioners and those under the British ministry being examined by the same doctors. The old country soldiers in Canada go before the same Canadian doctors that examine Canadian soldiers, and the same principle could be worked out in regard to appraisals. If these could be done by the soldier settlement board appraisers it would save at least $10 to each applicant.

I am going to reserve what further remarks I have to make until the bill is before us, but I should like to repeat that the most serious heavy interest charges. There is no doubt problem confronting the farmer to-day is the that something will have to be done; when a man owes $600 in interest on a $4,000 loan certainly he needs some help. That becomes more difficult to pay as time goes on, because it is like a snowball rolling down hill; it gets larger all the time. If something is not done many of these men will simply leave the land and lose all they ever possessed.

[Mr. Reid.]

Mr. W. H. MILLS (West Elgin): Mr. Speaker, I cannot let this opportunity pass without adding a few words to what has been said already in regard to this resolution. I believe if the governments of Canada—and when I say "governments" I mean provincial and dominion governments—are to bring prosperity back to this country they must start at the foundation, and that foundation is the farmer, the tiller of the soil. Assistance must be given the farmer.

Reference has been made by some hon. gentlemen opposite who represent constituencies in the province of Ontario to the plight of the farmers in this province, and I should like to say a word with regard to the development board that has been in operation in Ontario; for I do not believe any hon. member within sound of my voice knows more than I do of the situation that has existed in this province since the present government came into office. In reference to that board, what were the conditions the present government found when they assumed office? They found stacks of applications that had been passed by the Henry government; everything had been done with the exception of writing out the cheques and passing over the money. They found that loans had been made to 18,000 farmers in Ontario, totalling some $51,000,000, though if they had to be liquidated at the present time they would not realize $15,000,000. I do not say that is any particular fault of the Henry government; you cannot blame a valuator for placing a value in 1928 or 1929 which was almost double the value that would be placed to-day. However, those were the conditions the new government found. It was said that no loans have been made by the new Ontario government. I should like to repeat what my hon. friend from Frontenac-Addington (Mr. Campbell) said, that seventy-two loans were made during November and December, totalling in the neighbourhood of $140,000. Those loans were made to applicants whose applications had been received and approved before the previous government went out of office.

Now I am going to say to the Minister of Finance (Mr. Rhodes) that if this is to be a purely federal undertaking a great deal of care should be taken in selecting the personnel of the board that will administer it, so that politics may not creep into the administration. If I were a member of a government which appointed a commission to administer an act of this kind, and if I interfered to the extent of recommending a

loan that had been refused by the board and that was not justified, I would not consider myself worthy of the seat I occupied. I might say here that politics did play a prominent part in connection with the administration of this act in the province of Ontario.

I cannot help thinking of the conditions that exist in my immediate neighbourhood. My constituency is purely rural, with the exception of a town and a city. Unless we have prosperity among our farmers there will not be prosperity in our town and city. We have to get those farmers back on their feet, or they will be in the bread line. I know of several good farmers in my own neighbourhood who require a little assistance, which they cannot obtain from private individuals or loan companies. A farmer hardly gets a cordial look to-day if he appeals to a bank for a loan. I am thinking of a farmer in my locality who bought a farm some years ago at a high price, and who has raised a family of eight children. A few years ago he went to the man from whom he had bought the farm, and who held the mortgage, and asked if he could not lower the interest rate a little. The mortgage holder replied, "No, I cannot do it. I can buy government bonds and clip off coupons and get nearly six per cent. I cannot take less than six per cent." I think we must get a lower interest rate because with his present income the farmer cannot meet his overhead.

I should like to tell the house of another couple whom I visited last week end when I was home. They telephoned and wanted to talk to me in reference to a farm loan. This young man had had a position in the shops at Galt, I believe. He lost his position and came home, and has been attempting to redeem the farm held by his father, which had a mortgage amounting to practically what the farm is worth to-day, because farms are not being sold at any price.

On this farm there are good buildings, a new barn and two silos. When he came to the place he had only a small amount of stock, while to-day he has a first class accredited herd of Jerseys. However, he is up against an interest rate of seven per cent. His wife said to me, "If we could obtain a loan bearing an interest rate of 4 per cent I would feel we were right in heaven." I should like to urge that the Minister of Finance make it possible to put loans through at four per cent or less. To-day, in view of the low prices received for farm commodities, these high rates of interest cannot be met. On my farm we are to-day producing over 600 pounds of milk daily. To deliver that milk to the condenser we are charged nine cents per hundred. This milk, rated at 3·5 per cent butterfat, is selling at $1 per hundred. With bran costing $27 or $28 per ton and other feeds at proportionately high prices, one cannot sell milk at that low price and make a profit. As the old saying goes, the farmer is the only man who can continue to do business at a loss.

May I observe in closing that I shall be pleased to support any measure which will be of assistance to the farmers or which will be the means of getting them money at a lower rate of interest, no matter from what party it comes—whether it be the government, the Liberal party or the Cooperative Commonwealth Federation. We have to get money for our farmers; we must lend them money because they cannot borrow it elsewhere, and before they can get it we must see that it is available at a low rate of interest.

Mr. A. U. G. BURY (East Edmonton): Mr. Speaker, the Minister of Finance (Mr. Rhodes) must be gratified at the amount of interest his resolution has aroused, the amount of debate it has occasioned and the amount of approval it has elicited from both sides of the house. I hesitate delaying passage of the resolution, but I believe I must do so in order to bring to the notice of the house and the minister one concrete case which to my mind indicates a certain weakness in the present law, a weakness which the minister may not have considered and one which I hope he will be prepared to remedy.

There is a saying in the legal profession that hard cases make bad law, and we recognize the truth of that statement. The case I have to submit to the house is more than a hard case; it is one which in my opinion must be representative of a considerable number of cases. It is an instance not merely of hardship but in a certain sense of injustice which in my opinion ought to be remedied. I refer to a farmer who for thirty years farmed in eastern Canada and for seventeen years farmed first in Saskatchewan and afterwards in Alberta. He owns a section farm three miles from the town of Erskine and one mile from the wheat pool elevator. Some years ago, by reason of an accident to his spine, he became paralyzed, and had to leave his farm and reside in the city of Edmonton, where he still lives. Notwithstanding his paralysis and his age he has been operating his farm from his bed. A man has been working the farm under his absolute control and direction, and

he has been paying for the seed and meeting the other costs in connection with putting in the crops. There is an arrangement between the two men whereby the man working the farm gets fifty per cent of the crop for his work. A few years ago the farm was valued at about $25,000. There are 475 acres under cultivation, good buildings and good fencing. For these reasons that valuation would not appear to be at all exorbitant. Since 1930 the owner in Edmonton has fallen into arrears with his taxes. To put in his 1931 crop he had to borrow from the bank. The amount of his indebtedness to the bank plus the amount of his taxes is $3,500; yet he cannot obtain a loan from the farm loan board because he happens to live in Edmonton, paralyzed on a bed, and is not living on the farm.

Hon. members will recall that some years ago a bonus of five cents per bushel was given on the wheat produced. In the spring of the year in which the bonus was paid he borrowed from the bank for the purpose of putting in his crop. He had ploughed 100 acres of summer fallow, had broken 34 acres of new land, and his borrowing from the bank was at an interest rate of eight per cent. In that year of 1931 he raised a crop of 6,000 bushels. Applying for the five cents bonus he was told that because he was not living on the land he could not have it; the man who did the actual work of raising the crop got the whole of the five cents bonus on the 6,000 bushels, while the owner in Edmonton did not get a cent. I am inclined to believe, from memory, that in point of fact there is an agreement of sale executed in favour of the man who put in the crop, and if that is the case difficulties would be possible. The point I wish to urge upon the minister, however, is that there should be a greater margin of discretion or wider powers given to meet cases such as this. In this instance the man is actually operating the farm, although the house in which he lives is at a distant point. His lifetime's savings are in that farm, and to-day I am not sure but what it has been sold for taxes. He entered into the ordinary consolidation of tax arrears agreement and made two payments since 1930, but has not been able to make further payments since. The result is that his tax agreement is in default and his protection under the consolidation agreement has gone. This man is a helpless cripple in possession of a valuable farm. It is possible, if not an actuality, that his farm may be sold for $1,000 or $1,500 arrears in taxes. I urge upon the minister that the definition of the term "farmer" should be widened so as to make provision for such cases. If he has not sold the farm I would urge and press and contend that the mere fact that he is living in Edmonton does not make him a non-occupant of the farm, and that even then he is within the definition of a farmer under the Farm Loan Act. But even if he has sold the farm, surely it should not be impossible to make some provision in the act that men who have a really valuable equity in a farm and who have for so many years been working at farming and building up the prosperity of the east or the west, should in some measure be protected, and that some relief and some concessions should be made to them in some way to enable them to get the money that is necessary to enable this man I speak of and others like him to avert a complete loss of the earnings and toil of his lifetime. I do not know how the amendment can be made, but I do suggest that it might be made in some way. In the 1934 amendment to this act provision was made under section 10 of part II that a loan might be made to a mortgagee who is defined as "any loan, trust or insurance company," and that term is extended to include "such other corporations or persons or classes of corporations or persons" as might be designated by the governor general in council, on the security of an assignment or hypothecation of a first mortgage; and that term is defined as including an agreement of sale covering lands the title to which is in the mortgagee, using the term mortgagee in the wide sense. Now if such can be done in that case, why cannot it be done in the ordinary case of an application for a loan? I made application for this man a couple of years ago, I remember, and it was turned down on the ground that he was not actually an occupant of these lands.

Mr. F. W. GERSHAW (Medicine Hat): Mr. Speaker, a good deal of what I intended to say has already been said, and I shall certainly not repeat it. I notice in looking over the statement that the farm loan board has not sustained many heavy losses, and the number of cases in which interest or principal payments are in arrears is not very great.

A few days ago I put a question on the order paper and by the answer I notice that fewer and fewer loans are being made year after year. For instance, in the province of Alberta in 1931 the number of loans was 298; in 1932, 239; and in 1933 the number was 80, and in 1934 the number had dropped to 47. I also asked what areas in the province were excluded from the operation of this act, and the answer I received was this:

None. The policy of the board is to deal with applications on the basis of the productive value of the security offered and the qualifications of the applicant.

And yet, Mr. Speaker, when people in the southern part of the province apply for a loan they are invariably told that no loans are being considered in that district. We cannot blame the board for being very careful with their loans because we know that year after year disaster has overtaken the crops in part of that district, but even in that blanket area where no loans are considered there are farms that annually have produced fairly good crops. There are farmers living in the hills who have been getting on reasonably well and who have every right to have their application for a loan, when they require it, considered.

Then again, as has been said, this act works in with the farmers' debt adjustment act. I would point out to the minister the futility of having commissioners appointed and acting under the farmers' debt adjustment act in a district where there is no possibility of getting a loan from the farm loan board. When the act is being amended I do hope the minister will see his way clear to extend its scope to save some of the homes which are being lost at the present time. In the city whence I come a large number of retired farmers have made payments on their homes in the city and have counted on making future payments from the revenue from their farms. But they have been disappointed in getting that revenue and have been unable to meet their obligations, and consequently stand to lose their homes. Some are now tenants on their own property, and others, of course, will be forced to vacate their property in the near future. I believe that this is a field of activity which might well be added to an act such as this, and if that could be accomplished it would dispel the despair which some of these people feel, and in its place bring some courage and confidence and contribute greatly to the happiness and contentment of the Canadian people.

Mr. WILLIAM H. GOLDING (South Huron): Mr. Speaker, I want to take this opportunity of expressing my views on this question and of endorsing the views expressed this afternoon by the hon. member for West Middlesex (Mr. Elliott). I think that any member who represents a rural constituency and spends any time at all among his constituents must understand the distress and worry that our agriculturists are experiencing at the present time and have been for the last three or four years. I am very glad indeed that the house has devoted the time it has this afternoon and evening to what since I have been a member of this house I have often considered as the forgotten man. It seems to me, Mr. Speaker, that we are going on adding to our machinery of government. An unemployment insurance scheme is now proposed, also an economic council; we have our marketing board, and whether we believe it or not, all these cost money to administer. After all, these costs find their way back to the consumer and to the basic producer, and ultimately in my opinion to our greatest industry, that of agriculture.

I have often wondered since I have been a member of this house, and it has given me a great deal of concern, just how long we can continue to add to our machinery of government and place these burdens upon the backs of our farmers who already are overburdened and have been for years.

Take the unemployment insurance scheme, for instance. No doubt it is a good thing in itself, and yet I can see that it is going to place another burden upon the farmers' backs. I think that every manufacturer who has to do with the agriculturists will recognize that all the costs that go into the upkeep of that scheme will have to be passed on to the agriculturists. In my own constituency during last fall and this winter I have been approached on a good many occasions in regard to the Farm Loan Act and the debt adjustment plan. Of course, in Ontario that is not yet in effect but I think it will be; enabling legislation will be passed as soon as the legislature meets. But I do want to add my plea to the Minister of Finance (Mr. Rhodes) to do everything in his power to see that this interest is reduced even to four per cent. Practically every member in this house would, I think, be quite willing to see the government take care of any interest charges over that amount. I have a feeling that a movement of that kind would be supported. We have had loans to the Canadian Pacific Railway, and I suppose the government can justify those loans; we have had guarantees to that railway of $60,000,000. When we do that kind of thing I cannot see for the life of me why we cannot do something just as good and big for our agriculturists.

I do not wish to traverse the ground that has been so well covered by various speakers who have preceded me, but as the representative of a rural constituency I want to plead with the Minister of Finance and with the government to do all that lies in their power to have these loans available at four per cent,

and I am sure our farmers all through the country would be greatly pleased if that could be brought about.

My only regret is that action of this kind was not taken two or three years ago. I can assure the house that so far as this action at the present time is concerned, it is too late for a great many of the farmers in my constituency, men who have come to me in the last two years to tell me about their difficulties and their troubles. But while that is true, I say let us take action now and do something that will benefit the people who are engaged in what in my opinion is the greatest industry in the dominion.

Mr. J. K. BLAIR (North Wellington): While I approve very much of the proposal that is before us, I wish to bring to the attention of the house certain abuses that prevail in the district from which I come. We find that when a mortgage is higher than the value of the farm some banker, some loan company or some real estate man having charged a high rate of interest so that the mortgage value is greatly in excess of the farm value, then they get the farmer and his friends together and they say to him, "We will get you a loan on this from the government." They get a loan on the farm for much more than it is worth and then burden the neighbouring farmer by paying more for the farm than its value, with no intention of paying the mortgage but leaving the farm the next year. This has been done in many instances to the detriment of neighbouring farmers.

In the county I represent the farmers find it almost impossible to get a mortgage on their farms. It was bad enough when the provincial government offered five per cent for their loans, but when they offered six per cent that ruined farm loans almost entirely, because the farmer found it impossible to get a loan. We find therefore in North Wellington that there are barns without shingles, houses needing repairs, fences down and cattle in the grain here and there. The farmers are in a desperate situation for lack of money. They require implements but they are unable to buy them. Implements that should have been discarded years ago they are bound to continue using. Another great hardship is their handicap in producing revenue. Their horses and cattle have been reduced in numbers, and sometimes they have had to sell the best of them to raise money to meet interest.

I do not think that four per cent is too low; the lower we can get it the better. The wages of money should have some relationship to the wages of men, and the man who has a farm does not get four per cent on his investment. Practically speaking, the farmers today are working without wages but only for their keep. We want the interest rate as low as possible.

Mr. J. T. SPROULE (East Lambton): I cannot agree with the last speaker (Mr. Blair). Possibly he has a little money out drawing a high rate of interest and feels that he would not like to have anything less. But in my constituency there are a good many people who will join with some members on the other side in advocating a rate of interest as low as they can obtain. I feel proud of the fact that I belong to a party that has the courage to undertake the task of reinstating the farmer. It is one of the greatest measures we have had before us, and I do not hesitate to say that it is approved by all the farmers in my constituency.

It was suggested by the hon. member for Frontenac-Addington (Mr. Campbell) that the late provincial government was trying to collect a high rate of interest. If I understood him correctly, he intimated that they were charging six per cent or thereabouts. As long as I can remember, for quite a number of years, the Ontario board was lending money at five and a half per cent, and in fact that was the only source from which you could get money. If my hon. friend will look up the records he will find that the late government notified all their loan holders in June last that the rate of interest would be reduced to four and a half per cent. If the present government lends at four per cent that will be better still and will be quite agreeable to my constituency, as no doubt it will be to the constituency which the hon. gentleman represents. At the same time the late government should get the credit that it deserves, because a great deal was done in my locality.

The hon. gentleman went so far as to say that the late government had practically thrown away the money, carelessly allowing interest to accrue here and there. I would point out to him that the very same thing would happen if he had the reins of power. These loan boards were compelled to take chattel mortgages on the stock which the men had, but as there was no way in which they could possibly sell the stock to raise taxes there was only one thing for the tax collector to do, and that was to return the tax bill to the county against the property.

The hon. member suggested that the Ontario government had lent several thousand dollars since they came into office. This

may be true, but it depends upon what side you are on. However, let it be where it is, it makes no difference so long as the loan does some good, because the man who applies for a loan needs it or he would not try to get one. Far be it from me to make capital out of this matter, because this is something that concerns every man in the rural districts. I do not quite agree with the hon. member opposite when he says that this legislation is too late. Even if it is coming along in the last days of this parliament, I admire a government that has the courage to step in and do something. Hon. gentlemen opposite tell us that these things should have been done two or three or four years ago, but the former government was in power for a long time and yet it did nothing. The present government is giving action and action at once so that we will get relief, and there has been no time that we needed it any worse than we do to-day.

As regards the suggestion that those loans were given very carelessly and that some received more than they should, surely my hon. friends opposite do not think that the men who made the valuations were not fair valuators. While they are pretty well cleared out, there are some of them in office still. Those men used good judgment. There is a great deal of difference between the days when you could sell a cow and receive enough money possibly to meet the interest, and to-day when you would have to sell a dozen cows to meet it, and the same thing would apply in all these cases. If hon. members would look into some of the records they would see that in those days when it was easier to pay $1,000 or $2,000 or $3,000 from the price of produce sold than it is now to pay $150, the amount at which those lands were valued was not too high. If the present provincial government spends the money as wisely as did the late one, they will not do bad business.

I do not want to take up much of the time of the house because I think we are all of about the same mind on the matter. I am sure we will all be agreeable if the interest rate is kept down, and any government that has courage enough to go ahead and introduce a measure, as I said, to reinstate the farmer at the present time, is certainly going to study the whole question and give him the money at the lowest possible rate of interest.

Mr. W. A. BEYNON (Moose Jaw): Just before the hon. member for East Edmonton (Mr. Bury) rose to speak I had intended addressing the house for a very few moments on one branch of this subject which has not yet been touched, or at least, had not until then. I do not intend to go over those phases of the Farm Loan Act which have been dealt with. Some of the remarks I heartily concur in; others I do not, but I will leave that for the time being. We have however in all districts in this country cases similar to that stated by the hon. member for East Edmonton, some of them differing somewhat; and I want to deal with one along that line but somewhat different.

There is living in the city of Moose Jaw a gentleman who came to this country from the great republic to the south. He has been farming in that district now to my knowledge for over twenty years. He brought with him to this country over $30,000 in cash, and he invested that money in farm lands in the Moose Jaw district. He has broken those lands and improved them, and all his farms are equipped with the very best of farm buildings. They are also all supplied with the very best of farm machinery and ample power to work them. This man, who had acquired over $30,000 in farming in the United States and who has since then been conducting several large farms in this country, is no longer a young man; consequently he has moved into the city and is living there while his sons and sons-in-law are operating those farms. During this time of drought in that part of the country it has cost a great deal to keep the farms going and his reserves have been pretty well exhausted. He has been buying seed, helping the boys to put in their crops and trying to provide a living for himself. When he was actually farming there was not a year that he could not have had a loan of $5,000 or $10,000 from the bank without any question whatever. This year he went to the bank to borrow a few hundred dollars to pay his taxes and they would not give him a dollar. This man is the owner in his own right of several sections of land, all clear and with the very best of farm buildings. The fact that he is not residing on the land, not actually farming, takes him outside the terms of this act, although he is responsible for the operation of the farms. He is not alone in this; there are many men in that city who are in the same situation, and I have talked to a number of them. The case is very similar to the one stated by the hon. member for East Edmonton. What these men want is not a loan for twenty or thirty years, but a short term loan at a reasonable rate of interest, something to carry them over until they can get a crop and look after themselves. This man unfortunately was hailed out this year.

Had it not been for that unfortunate fact, notwithstanding the drought in that district, he would have had sufficient to pay his taxes and carry on his farming operations. It is that class of people who have come and lived here, built up this country, spent a great deal of money, who are to-day denied any source from which they can get money to keep them alive. This man has not a thing on which to keep up his house in the city except what he gets off the farm. I assume they had perhaps a little to sell off the farm, but he needs some money now to put in seed and carry him for the time being.

If the minister could arrange somewhere in this legislation to provide for short term credits for men of this class—not fly-by-night men, but men who have been here for years, men who have built up the country and are substantial citizens—I think that is what should be done. I just want to bring this matter to the attention of the minister because it is a point that should be dealt with, and it has not been covered in recent speeches.

Mr. W. G. WEIR (Macdonald): I listened with a great deal of interest this afternoon to the minister when he introduced this resolution proposing amendments to the Canadian Farm Loan Act. I think we can all apprehend a general acceptance of the resolution as introduced. Apparently there was quite general unanimity with respect to the object of the proposed amendments to the act. It goes without saying that they will virtually revolutionize the mortgage loan business of the country, and the dominion government in the very near future will be the sole institution lending money on farm lands. That may be all right. It is a huge step and I can quite appreciate that it may be even more acceptable to the farmers themselves than it will be to members of parliament after this legislation becomes operative.

I can see considerable objection to the old act as to the manner in which it operated, in that it was not applicable in or used by all the provinces. I think that may have been unfair. As regards the proposal to consolidate the administration of the act in Ottawa through provincial offices, I have no complaint or observation to make. Perhaps that will work for more uniform administration. In the meantime I should just like to say that so far as the organization in Manitoba is concerned I have not heard of any particular complaint against the officers operating there.

Mr. HANBURY: Except in Souris.

[Mr. Beynon.]

Mr. WEIR (Macdonald): There was no complaint there. With regard to amending the part of the act which required the borrower to subscribe for stock in the company to the extent of five per cent, I am glad to see that eliminated. It used to be in the mind of many people interested in farm loans and rural credits that we should try by this means to secure the interest of the men borrowing the money, with the idea that in so doing he would feel that he was part of the institution, and thereby it would operate more efficiently. But experience shows that that requirement kept a great many people from taking advantage of loans under the Canadian Farm Loan Act. I recall looking into two or three proposals for loans by farmers, and it worked out that the farmer had to pay roughly $8.50 for each $100 borrowed. That looked large to him, so he naturally looked elsewhere for his money. The minister stated this afternoon, if I heard him correctly, that the money subscribed by the provincial governments up to date would be returned to them. The question came to my mind, as it did to that of another hon. member who spoke: what about the five per cent already advanced by farmers who have taken advantage of these loans? I should like to see that money returned to the farmers in the form of credits on their interest or arrears.

There are two other features to which I should like to refer. In this respect I may get into deep water, but it seems to me that in view of the debt adjustment legislation and prior claims and things of that kind that have developed in the last ten or fifteen years in respect to farm mortgages, our whole farm loan policy will have to be considerably changed. The two features that I should like to submit for the minister's consideration are with respect to the personal covenant and the right to repay a loan at any time without bonus. As far as the personal covenant is concerned my feeling is that it should not be required on a farm mortgage. You might say it should not apply to the homesteader. I have in mind a farmer owning say a half section of land. Personally I feel that that is a nice sized little farm. He may have that clear of debt. But sometimes we get ambitious and wish to add more land. When it comes to purchasing that additional land and borrowing money for the purpose from any mortgage corporation I feel that the farmer should be protected to the extent that his personal covenant should not go on that new loan: in other words protect him to keep him on the homestead.

As to the bonus, if a loan should be paid before due I would submit that the minister might make provision to accept the principal of the loan at any time that it is available. We have seen too many cases in the past in which before a loan came due a man might have had a particularly good year and was in a position to pay off his loan, yet because he had to pay an additional amount to get the mortgage company to take that money he refrained from paying it. Human nature just made him take the position that he would not pay any bonus to the mortgage company. That money then was probably not used to the best advantage, and perhaps when the mortgage finally came due it was not there.

This measure will provide that the dominion government may loan to the farmers of Canada up to $90,000,000. That is a lot of money. Of course it is going to operate in conjunction with the debt adjustment legislation passed a year ago; that is all to the good. I suggest to the minister that an effort be made to have this legislation put into operation as soon as possible. I have in mind people preparing to put in a crop this year. If they could feel assured that they could secure money in the way of a loan at a low rate of interest from this organization, they would be much more encouraged to go ahead and put in the crop, and at the same time, where they are heavily involved, would have the additional advantage of making a more satisfactory adjustment with their creditors.

One serious difficulty is with respect to the valuation of land. I cannot tell you how you could go out and value farm lands in Manitoba to-day, and I assume the same thing applies to the other provinces. I listened to what the hon. member for Souris (Mr. Willis) said with respect to loans in his district. He referred to the farm loan board lending money in another district that suffered from flooding a few years ago. This district since that time has suffered for three years considerable grasshopper damage—not a total loss in every instance but many farmers having practically a total loss for the past five years. I have in mind an illustration. I am reminded of a farmer near me who had a first class quarter section of land. He did not live on it, and consequently was not able to borrow money on it from the farm loan board. He had purchased it under an agreement of sale. Last fall he owed $2,300 on that quarter section. The man to whom he owed the money said, "If you can get me $1,000 I will call it square," and he had to beg friends to let him have that $1,000 at six per cent interest. I recall what he told me of one man whom he approached for a loan. The man said to him, "Why should I lend you $1,000 on that quarter section when I can go down into the district where my own lands are and buy a quarter section from the municipality for $750?" Now, the quarter section that he could buy for $750 is in the area which was flooded out some years ago and to which my hon. friend from Souris referred. So the difficulty of placing a valuation on farm lands for mortgage purposes is very great. I know of many farms in my own district carrying mortgages as high as $20 an acre. Of course this man who was able to pay off his $2,300 mortgage with $1,000 was pleased to do it—Perhaps that might be called the purifying effect of capitalism and regarded as one of its advantages. In that connection may I point out that it is likely that some day the government will be obliged to accept a less amount of money for mortgages than the amount loaned.

I think the government is fortunate in being able to start this plan at this time. Farm lands are undoubtedly low in price now, and the risks should be proportionately less. In Manitoba we had the Manitoba Farm Loan Association, which unfortunately started at a bad time. Its history is not any too bright. I hope that this legislation will meet with much greater success. The fact of its being started in a period of depressed prices should make for success.

There is one other point that comes to my mind, and it is this; if I recall correctly the act as it stands at present provides for one per cent additional interest on arrears. I do submit that this should be changed. The man who farms or wants to farm is anxious to keep up his payments if possible, and I submit to the minister that if it can be done some provision should be made for carrying arrears, if they must occur, at the original rate of interest.

The other feature that comes to my mind is that it does seem too bad, when we can secure money at four per cent or perhaps less, that we have to add one per cent for administrative costs. That seems too high a percentage for that service. It may be necessary but it does not seem fair, in comparison with the cost of the money, to have to pay an additional one per cent just to administer the organization and provide for the reserve to be set aside for bad debts.

I have nothing further to say with respect to this legislation except a word of commendation to the government. I honestly think

this is a move in the right direction; I feel that we are starting at the right place. I agree with other hon. members who have taken the position that after all is said and done we can talk about the assistance we must give to the unemployed, to the building trades and so on, but in the final analysis if you can get the farm business on a sound basis and in a position to carry itself reasonably well you will do more to relieve our generally distressed situation than by all the other legislation you might put through.

Mr. H. E. SPENCER (Battle River): Mr. Speaker, I am very glad indeed that this act is to be amended in a worth while fashion. I remember when the act was passed by this house in 1926; we had great hopes in regard to this type of legislation. It was put forward as a great advance, as no doubt it was, and if the administration had been carried on in the spirit in which the act was drawn up, there is no doubt at all in my mind that it would have filled a great want. Unfortunately, however, after the act was passed it was held up for a year, and then it seemed to fall down entirely as far as administration was concerned. I say it fell down because we had hoped that at least twenty per cent of the enormous number of mortgages in Canada would have been taken up under this act. It was estimated that if this happened it would have the effect of forcing the loan companies to bring down their charges to the level of those made by the farm loan board. Owing to the way in which the act was administered, however, very little money was loaned. According to some figures given me in 1932 I find that only 4,119 loans were granted out of 14,423 applications made, and although the Minister of Finance had the right to purchase bonds of the farm loan board to the extent of $15,000,000 I find that up to 1932 only $7,500,000 had been loaned under the act.

I knew that the act was not working out successfully in the province from which I come, so far as loans were concerned, but I was interested in the figures given to-night by the hon. member for Medicine Hat (Mr. Gershaw), who said that in 1931 only 298 loans were made in the province of Alberta, and the number dropped as low as 47 in 1934. It always seemed to me that one of the weaknesses in the act so far as Alberta was concerned, and I suppose this applied to other provinces as well, was that loans were not made unless the borrower turned over as security the land on which his house was built. I know many men of excellent standing as farmers who wanted loans on land, but not on the land on which their houses stood. Although they had ample security to offer for the loans, their applications were refused. I know of several cases in which the would be borrowers, after having been turned down by the board, made application to ordinary loan companies and received advances on their land without delay.

I join with others in this house who have stressed the absolute need of a very low rate of interest under this act. I do not know what the Minister of Finance has in mind, but I sincerely hope that the rate will not be more than four per cent, and that if possible it will be less. As the hon. member for Macleod (Mr. Coote) pointed out earlier in the evening, the Farmers' Creditors Arrangement Act and the Farm Loan Act are two measures that should work together, but while I have great hopes of some good being done by the administration of the first measure I am rather afraid that it will be a partial failure if we do not see that the greatest possible use is made of the farm loan act.

I should like to say just a word with regard to the cost of administration. We are informed in regard to the unemployment insurance measure the government proposes to carry the cost of administration. If that is to be done in order to help those in the cities who are receiving insurance relief would it be too much to ask the government to carry the cost of administration of this act in order to help out those who earn their livelihood in the country?

I do not wish to say more at this time because we do not know all the details of this bill. I freely admit that we had great hopes when this act was first introduced; we have been frightfully disappointed, but at the same time I realize that if the necessary amendments are made it may become a very useful piece of legislation.

Mr. ONESIME GAGNON (Dorchester): Mr. Speaker, if I rise at this time it is not because I desire to find fault with what the distinguished critic of the Cooperative Commonwealth Federation has said. I had hoped to spare the house the trouble of listening to me, but so few members from the province of Quebec have expressed their views on this important question that I fear the Minister of Finance (Mr. Rhodes) may think us indifferent to his proposed legislation if something is not said by some of us who come from this province.

During this debate we have heard many new members make their maiden speeches, and certainly they deserve to be congratulated because they have pleaded well the cause of the farmers of their constituencies. We know, of course, that they are fresh from the by-elections, and undoubtedly they have come here determined to fight the government to the last ditch. It is a pleasure to the older members, however, to realize that the newer members find it necessary, when they rise for the first time, to congratulate the government on the proposed new reforms which it is hoped will bring salvation to Canada.

This resolution is very important indeed, in view of the sad situation of agriculture, not only in the western part of Canada but in the province of Quebec. The dire condition of farmers and the great poverty under which they are operating certainly cannot be overstressed. I happen to represent a rural constituency which has suffered very much during the depression, and certainly my constituents will welcome with great pleasure the amendments the government is introducing.

I have already advocated some reforms in connection with rural credits. Speaking on the budget in 1932, I said:

> Now, Mr. Speaker, may I refer to other legislation which has been disastrous to the farmers of eastern Canada; I mean the law enacted in 1929 creating the Canadian Farm Loan Board. This legislation may have been beneficial to the western farmers, but it has not been at all helpful to the farmers of eastern Canada. The rate of interest is too high, the legal fees incident to the granting of loans are also too high, and the obligation laid upon borrowers to contribute to the special fund is not only unpractical but absurd.

I realize I might have used milder language, but these were my views. To illustrate the impracticability of the legislation I shall describe to the house the case of a poor farmer living in one of the older parishes in my constituency. His farm was valued at $4,000. In 1932 he applied for a loan of only $1,400 which has not yet been granted. Notwithstanding the fact that he has been unsuccessful in his effort to secure a loan, he has been sued by a notary who is charging him the sum of $400—only $400—for the cost of investigating titles, and so on. I have complained to the federal and provincial boards, but they say there is no remedy because they cannot prove that the notary did not render the services for which he has charged so high a fee.

Nevertheless I feel this case illustrates my point, namely, that the criticism which has been levelled at the act is certainly justified in many respects. I believe all hon. members agree that amendments are necessary, because I have not heard any dissenting voice this afternoon from any quarter of the chamber. Of course we know that at the last session some amendments were made, but as the hon. members for Dufferin-Simcoe (Mr. Rowe) and Compton (Mr. Gobeil) said this afternoon, the enabling legislation has not been passed by the legislative assemblies of Ontario and Quebec, although in Quebec the legislature has been in session since January 7. Everyone realizes that a general overhauling of the act has to be made. I understand there are difficulties the government will have to face in connection with any change in rates of interest, but I feel I must agree with what some hon. members have said, namely that it would be highly desirable, if at all possible, to have the rate of interest lowered to four per cent.

In 1931 the Conservative opposition in Quebec waged a very extensive campaign for the establishment of a provincial system of rural credits. At that time the leader of the opposition in that province was criticized and considered very unwise because he recommended that the rate of interest should not exceed two and a half per cent. Nevertheless in some financial reviews we have read lately that in Italy Mussolini has created a system of rural credits whereby the farmers pay only two and a half per cent. I am not at all prepared to go that far now, because I realize conditions in southern and central Europe are very much different from those obtaining in America. That is true because of our longer winters, and the fact that farming in this country cannot be carried on for more than six months. Nevertheless I certainly wish the government would lower the rate of interest to as low a point as possible.

I recognize that due to pressure of public opinion the legislature in the province of Quebec has contributed one and a half per cent to the interest charged by the Canadian farm loan board. I sincerely hope when the new legislation is in operation the provincial government will see its way clear to raise its contribution to the point where they will pay half the interest levied.

May I also stress the point that one must not lose sight of the fact that the new legislation will be a necessary complement of the Farmers' Creditors Arrangement Act which only lately has been passed. In the province of Quebec the farmers have applied to the middle class, the rentiers, to obtain loans, but in many instances the rentiers are not much richer than the farmers. Some rentiers have

loaned to the farmers everything they had, and now on account of moratorium legislation passed in Quebec since 1933 those creditors cannot get their money. At this time they cannot obtain relief from the banks or from the mortgage loan companies. Therefore it is necessary that they have at their disposal the only instrument from which they can get relief, namely the Canadian Farm Loan Board.

Therefore I urge the minister to set up as speedily as possible the required organization to provide the necessary moneys so that the farmers who this winter have made arrangements with their creditors may secure a loan as soon as possible next spring. I urge the minister, further, to appoint a large number of farm inspectors so that at the earliest possible moment farms may be inspected. I realize this will entail an expenditure of money, but it will not constitute a waste because the more money spent to inspect farms and provide loans to farmers the less money will be spent in the administration of the Farmers' Creditors Arrangement Act.

For these reasons I am pleased to concur in what has been said from all quarters of the house in welcoming the resolution. Indeed it must be gratifying for the Minister of Finance and the Prime Minister to know that the new program of reforms has been so well received by the opposition, because nothing by way of reform could be more practical than that which tends to ameliorate the conditions under which the farmers are operating.

Mr. VINCENT DUPUIS (Laprairie-Napierville): Mr. Speaker, I shall not take the time of the house to discuss the question of farm loans from the standpoint of their economic soundness, because experience has proven in this country and in the United States that from that point of view they have been disastrous. If I recollect aright, before the N.R.A. legislation in the United States, that country had claims against farmers for over one and a half billion dollars which were considered then a complete loss to the country; and if we consider this legislation on that ground, it certainly would be very hard to understand. But I suppose that the government in its last hour of agony has decided for once to find within its bosom one good resolution. May I hope, Mr. Speaker, that it may not prove to be one brick paving the floor of that place to which I do not wish the government to go at the next election?

I have tried to find a reason why the government is bringing down this legislation at this late hour. I have asked myself: Is it because they have tried that other legislation called the Farmers' Creditors Arrangement Act which they passed last year, and which as a matter of fact has completely destroyed the credit of the farmer of eastern Canada?

Mr. GOBEIL: It was all destroyed before that law was passed.

Mr. DUPUIS: Perhaps the hon. gentleman finds the destruction around him so extensive that everywhere he sees nothing but destruction. But speaking for the province of Quebec, from which my hon. friend comes, he knows perfectly well that before that Farmers' Creditors Arrangement Act was passed, farmer lenders in our province relied on the credit of a farmer, because they knew that no sounder or better security was to be found in Canada than the security of our farms even since the crisis. Don't shake your head.

Mr. GOBEIL: Absolutely no.

Mr. DUPUIS: The hon. member for Compton (Mr. Gobeil) says, "absolutely no." Well, I hope he will go into his riding and say that again.

Mr. GOBEIL: I certainly will.

Mr. DUPUIS: Then he has more courage than judgment.

Mr. GOBEIL: That remains to be seen.

Mr. McINTOSH: They say he will not come back.

Mr. DUPUIS: In the province of Quebec the best security was our farms before the Farmers' Creditors Arrangement Act was passed, but since the enactment of that legislation there is not a single lender who would dare to lend one cent on a farm, because the farmers, good and bad, as soon as they are sued for a mortgage, now rush to the local administrator of the Farmers' Creditors Arrangement Act and seek an adjustment reducing their mortgage perhaps fifty per cent; or they may ask that they be absolved from paying interest for from fifteen to fifty years. The hon. member for Compton knows that. Who will dare to lend money on the security of the farm under those conditions? The consequence is that the farmers have their backs to the wall. They do not know what to do. There is only one recourse and it is this legislation.

Why did the government wait so long to pass this legislation? Was it because, as the Prime Minister (Mr. Bennett) said in his

radio addresses, the opposition deliberately opposed any legislation that the government introduced into this house in the last two or three years? I would answer the Prime Minister by saying that if the opposition did anything wrong in that particular case it was in not opposing the Farmers' Creditors Arrangement Act. Nobody said a single word against it last session, and it has proved to be the worst piece of legislation that was passed.

Mr. GOBEIL: Weren't you here then?

Mr. DUPUIS: I was here, but I had the same idea that the Prime Minister mentioned over the radio. I did not want to oppose the government too much because, although I am not a prophet, I knew that the Prime Minister, having no other argument, would try to throw something on the opposition one way or the other, so I think I showed good judgment, as did all the members on this side.

Mr. GUTHRIE: He has got you going all right.

Mr. DUPUIS: This year the government comes with this legislation, and I say it is too late. It is only a deathbed repentance.

My hon. friend from Dorchester (Mr. Gagnon), with his fine command of English, which I envy him, said: In 1932 I said such and such a thing in favour of the farmer. Well, Mr. Speaker, if I may take the attitude of a great man as he does, may I also remind the house of what the hon. member for Laprairie-Napierville said, not in 1932, but in the special session of 1930 when the government put through its unemployment relief measure:

> I would ask the Prime Minister if the last two lines of clause 2 of the bill, reading "for such purposes and under such terms and conditions as may be approved by the governor in council" are broad enough to permit of an amendment to the Farm Loan Act to reduce the interest rate from 6½ to 4½ per cent.

In that special session in 1930, when the Prime Minister was taking the money from the purse which we had left filled with forty-four million dollars before going out of office, and spending $20,000,000, throwing it away to fulfil one of his election promises because he did not want to perish in the attempt, I thought then, as the representative of a farming constituency, that it would have been proper for the government to redeem another promise and extend that relief to the farmer, and that is why I asked the Prime Minister then to reduce the rate of interest. But did they do anything about it? No, they were deaf—but not dumb. They could not do it then—it was impossible. If I remember well, the representatives of all the farmers of this country took the trouble, although they were starving, to make a pilgrimage to Ottawa, and mind you, among this distinguished delegation there were members of parliament, including the hon. member for North Huron (Mr. Spotton) and the hon. member for Southeast Grey (Miss Macphail). They sent three delegates to the Prime Minister, who was very busy with the big lords of England, and they disturbed the tranquillity of the right hon. gentleman when they asked him to come to the rescue of the farmer. You know very well, and the whole country knows what the Prime Minister answered. He said he did not have time to meet the delegation. They then begged him to send the Minister of Agriculture (Mr. Weir), who is as a matter of fact a real gentleman, "Oh," said the Prime Minister, "the Minister of Agriculture is as busy as I am; we have no time for that." They were here for the purpose of asking this government, at a time when it was opportune, to help the farmer. But nothing was done. As regards the rate of interest, the argument was that it could not be lowered.

I see here in a Montreal newspaper, a newspaper which is always very delicate in what it has to say with regard to members of parliament—and the Minister of Marine (Mr. Duranleau) knows something about this, because I see a nice article written on this subject—I see in this newspaper something about the three ministers from the district of Montreal. I will not dare to repeat what is said about these three ministers, because I am proud of my province; I am proud of the population of that province, and I would be ashamed to repeat it before the representatives of the whole country, and leave this house under the impression that the whole province of Quebec is on the level on which the three ministers of the crown from the province of Quebec have been placed. The only thing I want to point out is that they praise the Prime Minister, declaring that had the ministers from the province of Quebec been more active, had they exercised more influence with the Prime Minister, they could have obtained something that would help to rescue the city of Montreal. And to prove it they say, "Mr. Houde just applied to the Prime Minister and in one moment the Prime Minister found in England $6,000,000 at a rate of 3¾ per cent." That is all very well, but may I ask whether the influence of the right hon. gentleman could not have been used on behalf

of the most important and the most interesting class in this country, the farmers who have been starving since this government came into power?

Nevertheless the intention is good and I want to congratulate the government on bringing down this legislation. It is better than nothing. We know that Christian charity obliges us to forgive even the greatest sinner in his last hour of agony, and I do not want to be less Christian than I am bound to be.

The hon. member for Dorchester (Mr. Gagnon) tried to throw stones at the government of the province of Quebec. Well, that is his usual habit; he is used to doing that because he has no argument against the Liberals in the federal field. But may I remind him that the province of Quebec, as he said—and I thank him for being frank for once—has contributed to the extent of one and a half per cent in the rate of interest in connection with the farm loan board. That is something. But he goes further. The hon. gentleman suggested that the province of Quebec should contribute fifty per cent of the rate of interest under this new legislation. Is it because his Prime Minister has acceded to the request of the premier of Quebec to contribute fifty per cent in connection with the unemployment relief legislation in Montreal, and by so doing relieve the municipalities of their unbearable burden, that he makes through this House of Commons a petition to the government of Quebec?

I heard the premier of Quebec about a month ago make that kind offer to the Prime Minister of Canada to contribute fifty per cent. I do not know whether I am wrong, but the Prime Minister is here to say whether I am or not. At any rate, I have never heard that the Prime Minister of Canada has accepted that offer of Premier Taschereau.

Mr. BENNETT: That was not the offer.

Mr. DUPUIS: I am prepared to wait for an explanation from the Prime Minister. I should like to hear what the offer was. The Prime Minister has sometimes said that I am not clever, and I am the first to admit it. But I believe that I understand something about political economy—

An hon. MEMBER: Honesty.

Mr. DUPUIS: I will not say honesty, because the Prime Minister is an honest man. But I understand something of political economy and I know something about the meaning of words. I was there the night the premier of Quebec spoke, and the speech was broadcast. He said, "I am ready to contribute to the amount of fifty per cent if the Prime Minister of Canada is ready to contribute the same amount to relieve the municipalities of the province of Quebec of the burden which is sending them into bankruptcy." If these are not the right words I shall be glad to hear from the right hon. gentleman, but that was what I heard. The hon. member for Dorchester no doubt knows in his heart, therefore, that the premier of Quebec is a very good administrator and made a very opportune offer, because he knows very well that the municipalities in this country are all going to be ruined if they continue to contribute one-third.

Mr. GOBEIL: Ask Mr. Lacroix.

Mr. DUPUIS: You deal with the hon. member for Beauce; he will settle you, because he knows you better than I do.

To conclude, Mr. Speaker, may I say this. I am in favour of this new legislation so far as I know what it is at the present time, reserving my right to discuss it on its merits when it comes before the house again, and I hope that the rate of interest will be as low as possible. The cost of administration is one and a half per cent for the farm loan board, and I am always asking myself why the cost of administration of the farm loan board is not paid by the government itself, because in many other commissions it is paid by the government. For instance, as regards the natural products marketing board, the railway board, the unemployment insurance board and perhaps many others, their administration is paid by the government, and I do not see why the farmers of this country are not of as much importance as those concerned with all this other class of business. I just put this question to the government. If this one and a half per cent is taken away from the rate of interest already intended to be charged, a great benefit will ensue to the farmers, and this may help to cover the bad features of the Farmers' Creditors Arrangement Act.

Mr. CAMERON R. McINTOSH (North Battleford): Mr. Speaker, I desire to make just a few observations in connection with the resolution before the house. Perhaps the background of this resolution is somewhat similar to the background of the Agricultural Adjustment Act and the National Industrial Recovery Act characterizing the recovery legislation of the republic to the south of us. One cause that brought about governmental action to help the farmers there was the

disparity between agricultural and industrial prices. That disparity became very serious and action had to be taken. Legislation followed by congress adopting the administrative agricultural act and the industrial recovery act. Another cause was that the spread in prices between agricultural and industrial products broke the purchasing power of the nation and as a result the credit structure of the whole country was interfered with.

The same thing is really the cause of the resolution before the house so far as Canada is concerned. The time has come in the history of this dominion when one of our basic institutions, agriculture, as we have heard to-night on all sides, is in a serious plight, just as it was across the border, and action has had to be taken. I am not one to say that the government ought to be blamed because that action has been somewhat belated because I am one of those who believe that it is better late than never; even a deathbed repentance is good if out of it can grow some constructive action that is helpful to others, although the government repenting may not be saved. So I say that I have been pleased to see the pleasant features that have characterized this debate. It has proved at least one thing: that we can have a debate in this house in a cooperative spirit. That is, we can agree on some things. To my mind that is indicative of parliamentary progress and also an honour to members of this chamber.

A great deal of interest has been shown in this debate and we know in a psychological sense interest always arouses attention, attention arouses action and action is always typical of the character of the individual. There can be no disputing that fact. That is sound individual economy. The same thing holds true as to this resolution. The interest in the house has been satisfactory and a good deal of attention has been aroused. The whole matter now will depend upon the action by the government and the character of that action during the next year or two. In other words, the whole success of this measure will depend upon the machinery established by the government and the way in which the work is carried out. If the machinery established is unworkable and not guided by a wise personnel, then of course the results will not be as anticipated, but I am hopeful that the results will be very good and so far as the resolution is concerned I believe the more adaptable the legislation that will grow out of it, the greater the success that will characterize the government's move.

The resolution deals with facilitating and extending credit to farmers, purchasing additional bonds issued by the board and guaranteed by the government, and amending the constitution of the board. These three parts of the resolution look hopeful and lead me to believe the government back of them is sincere about it and that we may look for ameliorative action during the next year or two.

I am pleased also to notice that parallel or concurrent legislation is under way in the different parts of Canada and that the measure will be a national piece of legislation; that is, it will apply to all Canada and not to a part of it. As a member from the west, and particularly from Saskatchewan, I am gratified to know Saskatchewan will be able to take advantage of this legislation. So far as the riding I have the honour to represent is concerned I may say that during the last two years we have had splendid crops; perhaps some of the best crops in Canada were in northern Saskatchewan last year. I do not care where you may go for comparison. Notwithstanding that I believe there will be great work to do for this measure when it becomes operative and therefore I am taking advantage of the debate to-night to say a few words on its behalf.

The two main features of the resolution are: first getting debts adjusted, and, second, extending credit. The whole essence of the legislation depends upon these two features of the legislation. So far as adjustment of debts is concerned, the Farmers' Creditors Arrangement Act of 1934 has not as yet covered a great deal of ground in Saskatchewan. I was speaking to the official receiver in the North Battleford area and he gave me to understand that only about twenty to twenty-five per cent of the debts before him were adjusted. Even twenty or twenty-five per cent means something, but that would leave about seventy-five per cent of the debts untouched and that means that in connection with seventy-five per cent of the debts coming before him for adjustment he found it impossible to get any adjustment. He said that he lacked power; he was chairman of a committee of three as it were; the creditor's representative was there, the debtor was there and he was there himself, and if they did not come to an agreement, nothing could be done. Consequently in seventy-five per cent of the cases no agreement was reached and the debt adjustment was passed on to the provincial board of review. The Saskatchewan board did not

really get down to work until a month or so ago and for that reason very few decisions have as yet been handed down by it. The amendments brought in by the Minister of Finance (Mr. Rhodes) will make that board of review more operative and successful and I hope now there will be more activity demonstrated on the part of that board and that many decisions in the way of debt adjustment will be made. Thus, so far as debt adjustment is concerned we have the machinery and with the act consolidated as we shall have it after we are through with it in the house, I believe good work ought to be done.

Lastly, even after the debts are adjusted, it would appear to me that the main thing is to get some credit and some money flowing into the pockets of those who need these debt adjustments. If the interest is cut and the principal is cut and the total reduced then I would say the next wise thing to do would be to refund that total at a lower rate of interest, as low as possible. To do that we need some credit. The only source from which to get it would be through an arrangement of this kind. Because of this I am pleased to see that in regard to the financial structure of the farm loan board, which was formerly $15,000,000 and last year was increased to $40,000,000, through the bonds that can be bought and the extra cash that can be got from the treasury, the total now available for the board will be $90,000,000. I do not think it is a cent too much; perhaps it will not be enough. But it will be wise to get the very best results from that $90,000,000 that can be got. The adjustment of debts should be hurried as quickly and effectively as possible, because the sooner farmers who have to have their debts adjusted get them adjusted the better for the province of Saskatchewan and the better for Canada. Then after the adjustment is effected if this board can come to the rescue and arrange the debt of each farmer so that it will bear less heavily upon him, I believe there will be brighter and better days for agriculture all over the country.

Mr. F. G. SANDERSON (South Perth): Mr. Speaker, I would like to associate myself with hon. members in all quarters of the house in commending the Minister of Finance (Mr. Rhodes) for bringing down this resolution. Representing as I do an agricultural constituency in Ontario I am heartily in sympathy with the proposal and commend the government for at least making some move in regard to reduction of interest on money loaned to farmers.

[Mr. McIntosh.]

Some of the hon. gentlemen who have spoken to-night have said they thought this legislation has been brought down too late. While I confess it would have been better for the great basic industry of this country, agriculture, if the government had brought down this legislation two or three years ago, yet I am glad that they did bring it down in the last session. As far as I am concerned I want to go on record as saying that I will support this legislation and be willing to give credit to the government for bringing it down. To the Minister of Finance I say I think it will be a great mistake and a serious hardship upon the farmers of this country—I speak more particularly for the farmers in my own constituency in western Ontario—if the rate of interest is not brought down to at most four per cent. If I understood the minister correctly this afternoon he stated that the cost of administration of this act would probably be about one and a half to two per cent, which would increase the rate of interest. Am I right in that?

Mr. RHODES: Mr. Speaker, unfortunately we are not in committee. I made the suggestion earlier that it might have been wiser to go into committee where we could have had question and answer. I should like to have risen several times, but under the rules I could not. But when we get into committee I shall be glad to answer as many questions as I can.

Mr. SANDERSON: I thank the minister for his courtesy. But may I say that there has been no legislation attempted in this parliament during the last four or five years to aid the farmers. I know I may be getting very close to a discussion that would be controversial, and I do not want to do that; nevertheless, except perhaps for the attempt to get further markets for farmers and better prices, that is my opinion. I am free to admit that in the last year or two there has been a slight increase in the prices of some commodities that the farmer grows; wheat, for instance, has advanced a good deal over two years ago; the price of hogs has advanced, and so on. But even to-day the basic industry of Ontario is in dire distress. If, therefore, there is any possibility of bringing the cost of administration of this act down, the minister should do so. I go further and say that if it is not possible to bring it down so that the rate charged may not exceed four per cent, then anything above that the government and the country should pay. I say that for this reason: the farmer gets no benefit from unemployment insurance. As

to unemployment insurance let me say that if the bill when it comes in meets with the approval of the opposition, speaking only for myself, I shall be glad to support it. But it affords relief only to certain classes of workers. So far as the farmer is concerned it will cost him something and he will get nothing. Even, therefore, if the cost of administration of this proposed legislation for the relief of the farmers is considerable, I think the government should bear that charge so that the rate of interest shall not be over four per cent. That would go a long way towards helping the farmers of this country.

I do not know whether the Minister of Finance is familiar with the plight of the farmers in Ontario, which is a great agricultural province. The part of the province from which I come, and the constituency which I have the honour to represent in this house, in normal times is one of the most prosperous farming communities in Ontario. I want to point out to the minister that with few exceptions farmers who a few years ago were in a comfortable position, with either no mortgages or small mortgages on their farms, and in many cases with resources laid up in the way of investments or money in the bank, now find themselves right up against it. In almost every case the resources which were laid up for a rainy day have disappeared. I am not going to blame that condition on this government, but it is a condition that exists. If the government knew the plight of the farmers in this province and understood their difficulties they would realize that unless a rate of interest of four per cent or less is secured on loans to farmers, this legislation will not be of much help.

This afternoon the hon. member for Macleod (Mr. Coote) read some statistics with regard to the earnings of farmers throughout the dominion. If I understood him correctly the hon. member said that for the calendar year 1933 the average earning of the farmer amounted to something over $600, while in 1934 that average had increased to something over $700. How is a farmer with a family, with a mortgage on his farm and with taxes to pay, to navigate financially with an income of less than $800 a year? I quite agree with the statement made by the hon. member for South Huron (Mr. Golding), that if the basic industry is not prosperous there can be no prosperity for anyone. The farmers have the buying power; they have the largest spending power of any industry in Canada, and when that spending power is curtailed or almost cut off, as it has been for the last four or five years, they find themselves in dire distress. So I would urge the Minister of Finance to do everything possible to get the rate of interest down to four per cent.

I may say, Mr. Speaker, that in the county from which I come many farms that have been perhaps handed down from father to son, or owned by the one family for many years, have been practically taken away during the last four years because the farmers have been unable to pay either the interest or the principal of the mortgages. If you go around the rural sections of Ontario, and particularly western Ontario, you will find many vacant, deserted farms, with taxes and interest arrears accumulating, representing a condition that is almost intolerable. If this legislation will give the farmers any relief I am all for it, no matter what may be the cost of administering the act. Just here I might say to the minister and to the government, in regard to the cost of administration, that the governmental machinery of this country is too expensive. In almost every department there is duplication as between the federal and provincial governments, which only adds to the cost. I am not saying this in a critical or offensive way, but there are too many members of the outside civil service travelling up and down the country. It is costing too much money, and in the final analysis the consumer has to pay for it. In connection with this legislation the minister might well set a good example by not having too many officials and thus curtailing the expense of administration.

I do not think I have a great deal more to say, Mr. Speaker. Local boards were referred to several times this afternoon. In my opinion the setting up of local boards will only add unnecessary expense, and if it would mean any saving I would recommend that the minister cut out the local boards in order to reduce expenses to the bone and set a good example to the other departments.

There is just one other point to which I should like to refer. I said many farms in the province of Ontario were vacant, but there is another side to the question that I do not think has been considered as yet. Back in 1918, 1919 and 1920, when conditions were what we called prosperous, when farmers were receiving big prices for everything they had to sell and when trade and commerce was expanding—and expenses were expanding as well—many well to do farmers in my part of the country, like other business men of that period, branched out and added a second and in some instances a third farm at prices at least double what they would have to pay to-day. In almost every case they had to borrow money and give a mortgage covering not only the second or third farm but also

their home farm. To-day those men are in a terrible condition. They have not sufficient income to pay the interest on the mortgage, and they are loaded up with farm property on which, in many instances, they could not realize twenty-five per cent of the cost. I mention this to indicate to the minister the condition of the farmers in old Ontario, and to show that they need some assistance from this government. I hope this measure is only the beginning of the assistance that will be rendered by the government to the agriculturists of the province of Ontario.

Mr. OSCAR L. BOULANGER (Bellechasse): Mr. Speaker, I shall not detain the house for more than a moment. I really cannot take part in this debate because I was not in the house when the resolution was presented and explained; I was not here because I was attending the sitting of the royal commission on price spreads.

I should like to refer for a moment, however, to something said this evening by my hon. friend from Dorchester (Mr. Gagnon). If I understood the hon. gentleman aright—and if I did not he will correct me—he blamed the government of Quebec for not having passed enabling legislation in connection with the amendments made to the farm loan act last session. I hold no brief for the Quebec government, but I think it only fair to say that one of the main amendments of last year, in fact the only important amendment, concerned the second mortgage that might be secured by a person who had already received a loan from the farm loan board. The amendment provided that the second mortgage could be secured on the land, live stock or other personal property of the farmer. Of course the hon. member for Dorchester knows very well that in the province of Quebec, under our legal system, there is no mortgage on personal property, on live stock or on chattels. A chattel mortgage is unknown in that province. Perhaps that was the reason the Quebec government did not pass enabling legislation to put into force in the province of Quebec the amendments made to the Canadian Farm Loan Act at the last session.

Mr. MICHAEL LUCHKOVICH (Vegreville): Mr. Speaker, unless the Canadian Farm Loan Act and the Farmers' Creditors Arrangement Act are made supplementary neither piece of legislation will be as great a benefit to the farmer as was originally anticipated. I understand the mortgage indebtedness on farms in this country to-day is about $700,000,000. I suppose most of that sum will be readjusted under the Farmers' Creditors Arrangement Act, and if it is not it should be. In view of the fact that there is such a huge mortgage indebtedness in Canada—

Mr. HANBURY: Is it all on farms?

Mr. LUCHKOVICH: Yes, on farms only. In view of that fact I am quite convinced we shall certainly require more than the original $15,000,000 voted in this chamber, and I venture to say we will need even more than the $90,000,000 spoken of to-night. The government should be congratulated, however, upon increasing the amount from $40,000,000 to $90,000,000, because the farmers will be benefited at least doubly thereby.

Just before I left for Ottawa I met a farmer in my district who told me that provided he paid his indebtedness to the mortgage company they were willing to reduce his debt by thirty-five per cent. The nigger in the woodpile lies in the fact that he is absolutely unable to get credit to discharge that indebtedness. The only way he could get it would be through the farm loan board, at a lower rate of interest and on more reasonable terms. I agree with hon. members who say that the interest rates should be reduced to four per cent. Very few people realize what a reduction of one per cent means to a farmer; in many cases it means the difference between success and failure. I believe these two pieces of legislation should be complementary, otherwise the farmers will not derive from them the benefit that they should.

Mr. J. H. MYERS (Queens): Mr. Speaker, in the few moments at my disposal—

Mr. SPEAKER: Has the hon. member for Queens spoken before?

Mr. MYERS: No, not on this question. I am sorry to have to speak now, and I can assure hon. members I should have had no notion in the world of doing so had it not been for one remark made by the hon. member for South Perth (Mr. Sanderson), a remark which to my way of thinking was not only contrary to the facts but was quite unfair.

He said that during the last four years there had not been a single thing done in this House of Commons to aid the farmers. I like to see a debate conducted on a fair and square plan. I recall the very first act of this government, at the first session, was to pave the way for the Ottawa conference agreements. I have in my mind, too, legislation for debt adjustments, the marketing act and the wheat bonus.

Mr. SANDERSON: Will the hon. member permit a question?

Mr. MYERS: The hon. member has spoken. Almost everything that has been done in this House of Commons during the life of this parliament has been done with the aim and object of aiding our farmers. Let me say further that I do not know of one piece of legislation passed by this government to aid farmers which was not strenuously opposed by almost every member on the opposite side of the house.

Mr. SANDERSON: The hon. member made his speech last night on the Ottawa agreements.

Mr. MYERS: I did not speak last night on this motion, and I have the right to say something at the present time. The hon. member who has just interrupted is one of the worst objectors in the house; he objects to everything which would benefit or alleviate conditions under which the farmers are operating.

Motion agreed to and the house went into committee, Mr. Bury in the chair.

Mr. RHODES: Mr. Chairman, I had hoped that we could introduce the bill to-night and thus avoid practically a week's delay. I have sat here for six solid hours and have not had an opportunity to say a word, because according to the rules I have no right to reply on the motion to go into committee. I am making no complaint; I am merely stating that I feel it my duty to reply to certain observations which have been made. Under the circumstances I shall move that the committee rise, report progress and ask leave to sit again.

Progress reported.

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

Monday, February 4, 1935

The house met at three o'clock.

LEAGUE OF NATIONS ASSEMBLY

Right Hon. R. B. BENNETT (Prime Minister): In answer to an inquiry by the hon. member for Témiscouata (Mr. Pouliot) I have to advise that the report of the fifteenth assembly of the League of Nations for 1934 was printed in English and French when I tabled copies on January 24 last. I understand there was some delay in the distribution office, but the report had been printed when I laid copies on the table.

Mr. POULIOT: Thank you.

QUESTIONS

(Questions answered orally are indicated by an asterisk.)

IMPORTS OF BUTTER

Mr. MULOCK:

1. What were the quantities of butter exported to Canada during the years 1931 to 1934, inclusive, by: (a) New Zealand; (b) Australia?
2. What were the prices of the butter each month during the above mentioned years at the Canadian port of entry?
3. What were the duties, dumping penalty, or other taxation imposed per pound each month during the above period?

Mr. BENNETT: There might be a little difficulty in connection with this question. Perhaps the hon. member would change the words "exported to" to "imported into". What may have been exported from these countries and the destination of which may have been changed we could not control, but we can give information as to actual imports into the country.

Mr. MULOCK: Quite satisfactory.

Question stands.

PROCLAMATION OF STATUTES

Mr. BRASSET:

What are the statutes adopted at the last session which were to come in force on proclamation and which have not yet been proclaimed?

Mr. BENNETT: It has not been usual to ask members of the administration to answer a question of this character which the hon. gentleman can answer for himself, as every member receives copies of the statutes.

Mr. SPEAKER: Dropped.

EMPIRE MIGRATION POLICY

Mr. STEVENS:

1. Has the attention of the Prime Minister been drawn to an answer given in the British House of Commons on November 13, 1934, by the Secretary of State for the Dominions to Brig.-General J. J. H. Nation, regarding the empire migration policy?
2. Did the Prime Minister receive a dispatch from the Secretary of State for the Dominions in regard to the subject?
3. If so, on what date was such dispatch received?
4. Has a reply yet been sent to this dispatch?
5. If so, will a copy of said dispatch and reply be laid on the table of the house?

Mr. BENNETT:

1. Yes.
2. A dispatch was received from the Secretary of State for Dominion Affairs, transmitting copies of a report of the United

Kingdom Interdepartmental Committee on Migration Policy and intimating that His Majesty's Government in the United Kingdom had not had an opportunity of considering the report.

A further dispatch was received requesting any observations which His Majesty's government in Canada might wish to make thereon.

3. On September 14 and November 24, respectively.

4. The report was referred to the departments interested for consideration from the Canadian point of view. The general position of the Canadian government on the subject of migration had previously been set forth in personal discussions in London. A draft official reply to the second dispatch has been prepared, but has not yet been sent, pending further consideration of the bearing of conditions in the drought area and of urban unemployment upon the possibilities of land settlement and increased migration generally.

5. In accordance with the usual procedure, the consent of the Secretary of State for Dominion Affairs for tabling his dispatches is being requested, and copies of these dispatches and of the reply of the Canadian government will be furnished as soon as they are available.

SHIPMENTS TO RUSSIA

Mr. POULIOT:

1. Does the Post Office Department allow the shipping of goods to Russia by parcel post?

2. If so, must an invoice be placed in each parcel?

3. Is it necessary to get a licence from the Soviet authorities for all the parcels shipped in trading with Russia?

Mr. SAUVE:

1. Yes—parcel post being routed through England or France.

2 and 3. Yes.

MARKETING ACT

Mr. MACKENZIE (Vancouver):

1. What moneys have been expended, if any, by the federal government with respect to the Natural Products Marketing Act?

2. For what purposes were such moneys, if any, expended?

3. Have any moneys been expended on the organization of provincial boards?

4. If so, how much has been expended in each province respectively?

Mr. WEIR (Melfort):

1. $3,493.62 as at 31st December, 1934.

2. Communications.. .. ..$ 191 79
Miscellaneous.. .. .. 288 25
Materials and supplies.. .. 1,364 08
Salaries.. .. .. 904 88
Transportation.. .. .. 744 62

$3,493 62

3. No.

4. Answered by No. 3.

UNEMPLOYMENT RELIEF

Mr. LAURIN:

Did the Quebec government make a formal proposal to the federal government looking to an agreement in relation to unemployment with a view to exempt municipalities from contributing to unemployment relief expenditures?

Mr. GORDON: Yes.

CATTLE—TUBERCULIN TESTS

Mr. WEIR (Macdonald):

1. In what municipalities in Manitoba were tuberculosis tests of cattle made during the year 1934?

2. What dates were tests started?

3. What dates were tests completed?

4. Are any additional municipalities to be tested during the coming year?

5. If so, what are the names of said municipalities?

Mr. WEIR (Melfort):

1. Under the restricted area plan—none.
Individual herds tested under other policies in all parts of Manitoba.

2. See No. 1.

3. See No. 1.

4. Yes.

5. Morris and Louise.

INCOME AND SALES TAX COLLECTIONS

Mr. SPENCER:

1. What was the total amount collected by income tax in the last fiscal year?

2. How many paid income tax with incomes below the following amounts: (a) $3,000; (b) $20,000; (c) $50,000; (d) all others?

3. How much was collected by sales tax during the last fiscal year?

Mr. MATTHEWS:

1. $61,399,171.52.

2. (a) 93,861.
(b) 75,407.
(c) 2,893.
(d) 1,294.
(Fiscal year 1932-33).

3. Domestic.. .. .. $54,244,031 52
Importations.. .. .. .. 8,979,576 38

EMERY FLEURY

Mr. DUBOIS:

1. Is there a man named Emery Fleury, of Saint-Leonard d'Aston, county of Nicolet, in the Department of Agriculture, dairy branch?

2. If so, what are his duties?

3. What is his salary?

Mr. WEIR (Melfort):

1. No.

2 and 3. Answered by No. 1.

YORKTON, SASK., PUBLIC BUILDINGS

Mr. McPHEE:

1. In regard to the item of $3,445.45, contained in the estimates as having been expended on repairs to public building in Yorkton; on what building or buildings was this amount expended?

2. To what party or parties was this amount paid?

3. Were public tenders called for this work?

4. If not, who were asked to tender?

5. What are the names of the tenderers and the amount of their respective tenders?

Mr. STEWART (Leeds):

1. An amount of $3,445.45 was expended for repairing and painting the public building under the provisions of the Public Works Construction Act, 1934.

2. Yorkton Planing Mill (Logan & Black, proprietors).

3. No.

4. Logan & Black.
Neelin & McKenzie.

5. Logan & Black.. .. .. $3,325
Neelin & McKenzie.. 3,525

NOTE.—The balance ($3,445.45-$3,325.00) or $120.45, covers extra work authorized and carried out by the contractors, Messrs. Logan & Black.

UNEMPLOYMENT RELIEF—EXPENDITURE IN ONTARIO

Mr. CAMPBELL:

What amounts were paid to the Department of Highways, Department of Northern Development, Department of Welfare and the Department of Labour of the province of Ontario, for direct relief or for relief projects, during each of the years 1931, 1932, 1933, and 1934?

Mr. GORDON: The amounts paid as at January 31, 1935, to various departments of the government of the province of Ontario, for direct relief and relief projects under the legislation indicated below, are as follows:

The Unemployment and Farm Relief Act, 1931 and Continuance Act, 1932..	$11,133,176 24
The Relief Act, 1932..	7,891,594 76
The Relief Act, 1933..	9,878,805 80
The Relief Act, 1934..	11,906,328 26
	$40,809,905 06

NATIONAL DEFENCE RELIEF CAMPS

Mr. CAMPBELL:

1. How many camps under the Department of National Defence unemployment projects are there in the province of Ontario at the present time?

2. How many men are at present employed in these camps?

3. How many camps have been closed since September 1, 1934?

4. How many men were employed on September 1, 1934?

Mr. STIRLING:

1. 25.

2. 5,569.

3. 13.

4. 4,755.

QUESTIONS PASSED AS ORDERS FOR RETURNS

GOLD COIN AND BULLION EXPORTS

Mr. REID:

1. What was the total amount and values of all gold coin and bullion which left Canada during the calendar years 1930 to 1934, giving the amounts to each country?

2. Did any of the gold exported during said years go to the Bank of England or any of the chartered banks in Great Britain?

Mr. CAHAN: Return tabled herewith.

SOYA BEANS

Mr. GERSHAW:

1. What varieties of soya beans are successfully grown on the experimental farms in Canada?

2. Does the Department of Agriculture recommend the growing of these varieties on irrigated land in southern Alberta?

3. Is there a market available for this product?

Mr. WEIR (Melfort): Return tabled herewith.

GASPE COUNTY POST OFFICES

Mr. BRASSET:

1. What were the names of all post offices in the county of Gaspe, at January 1, 1930; also the names of the respective postmasters at such date?

2. What are the names of new post offices established since January 1, 1930?

3. How many post offices have been closed since such date, and what was the name of each such post office?

4. What postmasters in the county of Gaspe have been changed since January 1, 1930; what was the reason of each change, and what is the name of the new appointee in each case?

Mr. SAUVE: Return tabled herewith.

WEST CALGARY RECLAMATION WORK

Mr. STEWART (Edmonton):

1. Was a contract awarded for reclamation work costing $59,197 to Mannix & Owen, 8th avenue, West Calgary?
2. If so, was this work publicly advertised in the newspapers and elsewhere?
3. Who were the persons who tendered and what was the amount of their tenders?

Mr. STEWART (Leeds): Return tabled herewith.

GLUCOSE, DEXTRINE AND STARCH IMPORTS

Mr. MICHAUD:

1. How many pounds of glucose dextrine and starch, respectively, were imported into Canada during each of the years 1930, 1931, 1932, 1933, and 1934?
2. What was the country of origin of each of said products?
3. What was the rate of duty, per pound, collected on each of said products?

Mr. CAHAN: Return tabled herewith.

BOAT LOADINGS

Mr. MICHAUD:

1. From May 1, to December 31, 1934, how many boats loaded and unloaded, at the following places: Bathurst, Campbellton, Dalhousie, Caraquet, Mills Point, Newcastle, Richibucto, New Brunswick and Black Cape, Cape Cove, Carleton, New Carlisle, and Cross Point, Quebec?
2. What was the tonnage of each of said boats?

BUTTER IMPORTS

Mr. LAFLECHE:

1. What quantity of butter was imported into Canada from the different countries in 1928, 1929, 1930, 1931, 1932, 1933, and 1934?
2. What duty was imposed on each pound imported, during the years above mentioned?

Mr. HANSON (York-Sunbury): Return tabled herewith.

MOTIONS FOR PAPERS

ALYMER, QUE., WHARF

Mr. PERRAS:

For a copy of all petitions, letters, reports of engineers and other documents, in the possession of the Department of Public Works and received during the years 1933 and 1934, regarding the proposed expenditure of $7,000 on public wharf at Aylmer, county of Wright.

BURRARD DRY DOCK AND SHIPBUILDING COMPANY

Mr. MUNN:

For a copy of the present working contract made by the Vancouver harbour board with the Burrard Drydock and Shipbuilding Company of North Vancouver.

[Mr. Sauve.]

RIVIERE DES ILOTS NEWPORT, QUE., PUBLIC WORKS

Mr. BRASSET:

For a copy of the paylist in connection with the works done at Rivière des Ilots, at Newport, county of Gaspe, in 1934, supervised by foreman Baptiste Grenier; also a statement of moneys spent for stone and wood in the same undertaking.

NATIONAL DEFENCE—TRANSFER OF T. HARRISON

Mr. CAMPBELL:

For a copy of all correspondence, telegrams and other documents in the possession of the Department of National Defence, regarding the transfer of T. Harrison, superintendent of camp No. 37, Barriefield to Petawawa, during the year 1934.

MARKETING ACT—POTATOES

Mr. DUFF (for Mr. MacLean):

For a copy of all correspondence, letters, telegrams and other documents that have passed between the government of Canada or the central board appointed under the Natural Products Marketing Act 1934, and any person or persons, provincial governments or incorporated companies, asking for or relating to a scheme for the marketing of potatoes from or in the provinces of Prince Edward Island, Nova Scotia, New Brunswick and/or Ontario, under the Natural Products Marketing Act, since the passing of the said act to date.

Mr. BENNETT: This motion might stand as I wish to speak to the hon. member in whose name it stands.

Motion stands.

BUSINESS OF THE HOUSE

TEXT OF GENEVA CONVENTIONS TO BE PLACED ON ORDER PAPER

Right Hon. R. B. BENNETT (Prime Minister): Before we proceed to the next order I should like to inform the house that it is my purpose in order that business may be expedited to have printed after each of the resolutions standing in my name on page 12 of the order paper the conventions to which the resolutions refer so that they will appear on the order paper to-morrow with the conventions. I find that only a few copies remain for distribution. This will render it possible for all the members to read the conventions to which reference is made in the resolutions.

NATIONALIZATION OF BANKS

PROPOSAL THAT CREDIT AND CURRENCY SHALL BE CONTROLLED AND ADMINISTERED BY GOVERNMENT

Mr. WILLIAM IRVINE (Wetaskiwin) moved:

That, in the opinion of this house, all banking facilities, including both the chartered banks and the central bank, should be nationalized as speedily as possible.

He said: Mr. Speaker, this question of nationalizing the banking facilities of Canada has been put forward in this corner of the house for many years. In fact, I think it was in the first speech that I was ever privileged to make here that I offered the suggestion. Since that date it has been moved or discussed at almost every session since 1922. Perhaps the most notable attempt to have the house adopt this principle was in 1932 when on April 27 of that year a resolution moved from this section was voted upon. I shall have occasion to draw the attention of the house to that discussion later, but my object in making mention of the number of times this question has been discussed is merely to say that I do not propose to cover the old ground of argument. It is sufficient I think to draw the attention of hon. members once more to the main principle involved in the resolution and to seek the endorsation of the house for that principle. The principle of the resolution is that the financial instruments of the nation and the social credit by and through which such instruments operate should not be controlled by individuals for private ends but that currency and credit should be in the hands of the government and administered by a body responsible to the government and to parliament. This principle I venture to suggest is growing in favour.

Mr. SPEAKER: Order. I find it just the least bit difficult to hear at this end of the chamber.

Mr. IRVINE: The pressure of the tragic effects of the past few years has made some limping minds make haste in regard to their consideration of this question. My conviction is that the Canadian people would very readily endorse this principle were they given an opportunity to vote on it directly. Unfortunately all questions such as this, being included in the programs of the various parties, when they go to the people are entangled by partisan considerations and it is seldom if ever that the people have an opportunity of voting directly on a measure that they might otherwise endorse. If this question were submitted to the people by referendum I would be surprised if this question were submitted to them by referendum if it were not carried by a tremendous majority.

The government of the day has to some extent acknowledged the principle of national ownership. If we take note of the central bank act which was passed last session we shall find that a considerable number of restrictions are placed there against private operators doing what they please with the national credit, principles of restriction which we do not find in any other bank act which has ever been passed in Canada. This would seem to indicate that the government is well aware that it is not safe to entrust to private corporations without any control by the government, the whole financial structure and facilities of the country. But I would draw the attention of the house to a direct statement made by the Minister of Finance (Mr. Rhodes) when discussing the bill on its second reading. I am quoting from Hansard of 1934, page 826 where the minister, having described the functions of the central bank, made this statement:

> It cannot be too strongly emphasized that the exercise of these functions lies outside the power of any single commercial institution or groups of commercial institutions. No purely profit-making institution operating in a competitive system can afford to place social interests before its own in regard to credit policy.

That statement embodies the whole question at issue in the discussion of this resolution. It is frankly there admitted that the very pressure of competition would preclude a private enterprise from taking an unbiased view of certain financial issues. When with that we consider the fact that those who control our banking facilities are in the business for their private profit, we have there an additional reason why they should not be entrusted with the powers which they to-day have both in the central bank and in the chartered banks.

I am glad that the Minister of Finance (Mr. Rhodes) was so explicit in his statement regarding this principle. I regret of course, as I said last year, that the Bank of Canada was not socially or nationally owned at its inception, but although it was not taken over by the government last year I know no good reason why it should not be taken over this year, if the house has changed its opinion. I hope that both the hon. gentlemen to your right, Mr. Speaker, as well as hon. gentlemen to your left, will rise in their seats and vote for this resolution when the time comes. I know that the principle of financial control and ownership by the government has been very strongly advocated by certain left-wing Liberals; I have been much cheered by hearing them advocate it, in the west especially, in the last four years. These left-wing Liberals have advocated the nationalization of finance, and have stated over and over again that that is part of the Liberal policy at this time. I hope that is true. If it is then of course we are going to receive for this resolution to-day

much greater support than it has received at any other time in this house. I should like to see this resolution accepted, I hope the government will accept it, but if the government does not accept it I hope that at any rate every hon. member to your left, sir, will support it when the vote is taken.

Mr. HANBURY: We will not.

Mr. IRVINE: An hon. gentleman says he will not. I wish he would write a letter to Mr. Gerry McGeer and tell him that. I wish he would inform the hon. member for Vancouver Centre (Mr. Mackenzie) that he will not vote for this. Then we should at least know where we are and whether the Liberal party does or does not stand for this principle. If nationalization of banking has become a part of the Liberal policy it has been adopted quite recently. Of course, there is no harm in that; I do not see why the Liberal party should not have the privilege of changing its mind, but I refer back to the debate which took place on this very question on June 27, 1932, to which I referred in my opening remarks. At that time the C.C.F. had moved for the nationalization of our banking facilities and the right hon. leader of the opposition (Mr. Mackenzie King), the leader of the Liberal party, had this to say on the subject:

> May I in the first instance ask this question of those who have moved this subamendment: If our financial system is to be nationalized, whom are you going to entrust with that work? Are you going to entrust the government opposite with it? Are you going to entrust hon. gentlemen opposite, who have dealt with the tariff in the manner in which they have, under the freedom which has been given them, to nationalize the finances of this country? Yet that is what this amendment is suggesting, because it is addressed to parliament as it exists at the present time. May I ask another question? Were a Liberal administration in office would you entrust a Liberal administration with that task? May I ask still another question? Were you in office yourselves would you undertake the work of nationalizing the finances of the country? I do not believe that any group of persons who have given thought to these matters would attempt a task of that kind in Canada at this time. And, if we ourselves would not undertake a scheme such as this, what would be thought of Canada by other countries if it were announced to-morrow that this House of Commons had attempted any such task as the one indicated in the subamendment?

That was the position taken in 1932, and I have not heard any statement from the leader of the Liberal party in this house contrary to the position he took then. I know he made a statement last year on this issue, which was not as clear as it might have been, and he quoted it a few days ago in a debate in this house. I shall quote it again. He said:

> Liberalism believes that credit is a public matter, not of interest to bankers only, but of direct concern to the average citizen. It stands for the immediate establishment of a properly constituted national central bank, to perform the functions of rediscount, and the control of currency issue, considered in terms of public need. A central bank is necessary to determine the supply of currency in relation to the domestic, social and industrial requirements of the Canadian people; and also to deal with the problems of international commerce and exchange.

In the first part of that statement it seems that the right hon. leader of the opposition was leaning towards the principle of socialization of finance, but I must query the meaning of "a properly constituted national bank." If my memory serves me right the right hon. gentleman gave some explanation last year of what he meant by a national bank, namely, that it should be national in the sense that all stock should be owned by Canadians. That, it is true, is one kind of national bank. Another kind of national bank is one that is just called a national bank. Another kind is a private corporation such as we have in the Bank of Canada, which has been given by this parliament statutory authority to deal with the credit policy of this country. What I would like to know is whether the leader of the opposition meant by this statement that the Liberal party stands for properly consituted, nationally-owned and nationally-controlled banking and credit facilities in Canada. That is what I should like to be sure about. It seems, I say, that the Liberal party is coming towards the acceptance of that view, and I sincerely hope it is. I know that the left-wingers have come to it. The statement of the leader of the opposition a few days ago, which I have just quoted, would seem to indicate that he has some inclination that way. I am glad to have the opportunity of putting this question before the house in the hope that the Liberal party will rise and vote for this resolution and make it a real issue in Canada. In view of the very general endorsement which the principle has received from the people themselves, in view of the fact that the government in some small measure has recognized the principle involved in this resolution in the restrictions imposed upon the central bank, and in view of the statements of Liberals on the hustings and the rather veiled statement of the leader of the opposition, it would appear that the principle is pretty well accepted that no individual or private

corporation should be entrusted with the management, ownership and control of banking and credit facilities in Canada. If that principle has been as universally adopted as certain statements would indicate, then I see no reason why we should hesitate to take action commensurate with our acceptance of the principle.

The house will note that the resolution calls for the nationalization of financial facilities, which include not only the central bank but the chartered banks of Canada as well. The chartered banks, of course, are the means by which the policy of the central bank may become effective. There is no other machinery and there are no other facilities by means of which the central bank can effect its purpose in the control of credit, and I think the house will agree when I say that the chartered banks have it within their power, if they so desire, to render futile any policy of a nationally owned central bank, so that it would be entirely inadequate and indeed, I would say, foolish for this parliament to stop short of nationalizing the whole financial system. It is not sufficient that we should advocate the socialization of the central bank alone; we must have the socialization of all the facilities that are essential in the handling of our financial system.

We in this corner of the house believe that both the central bank and the chartered banks should be nationally owned and controlled. I am not advocating the taking over of the chartered banks with their capital stocks and their huge, palatial buildings on the most expensive corners of the various cities. I am advocating the nationalization of the facilities, the taking from the bank of the power they now have of dispensing credit. That power was granted to them by an act of this parliament; that power can be taken from them in the same way. As to the details of dealing with them in the taking over process that is a matter of comparatively little consequence. I do not see why the property of the banks should not be treated as the property of any other corporation is treated, which has been superseded by a more effective institution or which has become defunct for any reason whatever. Of course the equipment of the banks may be taken over, if the government needs it, at the replacement value, and probably the banks would be very glad to make any arrangement of that sort. I merely want to indicate that any difficulty which might be encountered with the banks after we had taken out of their hands the facilities which they now administer would be a small matter compared to the great question of the control of credit by the nation in the interests of the people.

Now I should like to spend a few moments on the main object of the nationalization of finance. To nationalize our banking system and to go no further would not help us at all. It will be clear that we could nationalize the banking system and continue the same system that we have now, under national control. That is not the objective we have in view, of course. We ask for the nationalization of our financial facilities because finance must be reorganized on the exclusive basis of public service, and while these institutions are in private hands we are not allowed to reorganize them on that basis. But when we have nationalized them we will have an opportunity to regain access to the social or national credit in order that it may be used properly, scientifically and safely in the interests of the people as a whole. In the next place, if we secure control of these institutions we will be free to reorganize the whole financial structure on a goods and services basis instead of a theoretical metallic basis, which, although largely discarded throughout the world, still limits the operation of finance in this country. I think no one will deny that to-day finance is the most important instrument of reform that the government may find at its hand. Our financial instruments have been and still are handled in a manner which has very effectively defeated the object of industry. Those of us who last year read time and again of the vast quantities of goods destroyed by capitalistic administrators throughout the world, while on the other hand in all those countries there were millions of people in dire need of the very goods so wantonly destroyed realize just how important money is to the economic life of the people. I do not think anyone will deny that if the people had money in their pockets it would not be necessary to destroy much of our goods. I do not think anyone will deny that this is economic waste; it is worse, it is economic insanity for an industrial concern to engage in the production of goods and then proceed to destroy those goods instead of having them go to the consumers, which was the only reason for their production.

I have said that we hope to regain access to social credit. That social credit is the belief in the power of the people of Canada to produce the goods and services that are necessary for the well being of the Canadian people, and the willingness to finance both production and distribution to the extent of our capacity to produce these goods and services. If that financing principle is adopted very soon we

will find little difficulty with our distribution. To-day our difficulties centre largely around this question of distribution. Behind all financing, is social credit which to-day the banks have sole authority to use to any extent they desire or which they may refuse to use if they are so disposed, and for which they do not hesitate to charge the people of Canada a high rate of interest whether it is required for personal use or for social use. That social credit we want to get control of, to take out of the hands of private bankers, whether administered by a central bank or by chartered banks, and to use particularly in the solution of the distribution problem. I believe that there is a tremendous source from which we may draw financial assistance in the distribution of goods. Everyone realizes there is no use in having a well equipped system of production, one capable of producing immense quantities of goods, unless the people are permitted to use it. Whatever theory of economics we may hold I believe all of us must agree that if people have money in their pockets, and if goods are on the shelves of the warehouses of our country, those people will not starve. If we have access to social credit and are in a position to monetize the real wealth created, and find an adequate means by which that may be distributed to the consumer, then we have at least in part solved the greatest and most difficult problem which modern civilization presents. I shall not develop that point any further, for the moment, more than to say that it is with a view to creating a condition whereby the social credit resources of this country may be available to the people themselves, without restrictions imposed either as a result of superstition, the lust for profit or the incapacity of private corporations, that this resolution is moved.

Whether or not hon. members agree with many of the economic views expressed by my associates and myself, I conclude my remarks in the hope they will agree that the nationalization of finance is not only a necessary move but that now is the opportune time to make it, and that it is a move which has become so acceptable to the general public that we need not hesitate voting for its adoption.

Hon. E. N. RHODES (Minister of Finance): Mr. Speaker, I trust the fact that nobody, except the mover, desires to speak upon the motion does not reflect the views respecting its merits held by hon. members at large. At all events, I regard the motion as one of great importance, involving as it does an assertion of principle of great national import, and one which obligates me at least to make clear the attitude of the government with respect to it. The resolution in question reads:

> That, in the opinion of this house, all banking facilities, including both the chartered banks and the central bank should be nationalized as speedily as possible.

In other words it asserts the principle that the government of Canada should own, operate and control all our banking facilities. Although that is the most important, in fact the only principle contained in the resolution, the hon. member spent a considerable proportion of his time in a discussion of economics, and a discussion of various systems of banking and financial theories. May I suggest that while such discussion may be interesting, with all due deference it has no bearing upon the resolution. It has to be assumed that the system of banking adopted in this or any other country is that system best designed to serve the purposes of the country and at this stage any attempt to compare the relative merits of this financial or economic system with the merits of other systems is entirely beside the question. I should prefer to deal with the clear assertion of principle outlined in the resolution, namely the nationalization of banks and banking facilities in this country.

Mr. HANBURY: The socialization.

Mr. RHODES: I have noted one reference the hon. member made concerning my observations of last year when moving the resolution which preceded the introduction of the bill to incorporate the Bank of Canada. The words quoted, and to be found at page 826 of Hansard, are as follows:

> It cannot be too strongly emphasized that the exercise of these functions lies outside the power of any single commercial institution or group of commercial institutions. No purely profit-making institution operating in a competitive system can afford to place social interests before its own in regard to credit policy.

Then, if you please, sir, the hon. member proceeded to draw the conclusion that it followed we must have national ownership and control.

Mr. IRVINE: I should like to point out that I did not draw that conclusion from this statement. I quoted the minister to show that in that statement he had admitted the principle.

Mr. RHODES: I certainly accept the statement the hon. member makes, although I clearly drew the inference that he asserted my observation was proof that we must have national ownership and control. I will not admit that the contention of the hon. member is correct, or that he can properly make it. The assertion I made, which I have pleasure in reasserting, has reference to the fact that we required a central bank to exercise those functions, and the manner of the set-up of that bank, the policy adopted in setting it up, the legislation surrounding it and the safeguards with respect to it, are entirely different matters.

The main question is this: Is the central bank as set up capable of performing the functions outlined in the paragraph I have quoted, and to which reference was made by the hon. member. My contention is that all of those safeguards are to be found in the set-up of the central bank, as we have it to-day. I do not purpose covering the ground I traversed either on the occasion of the introduction of the resolution preceding the bill incorporating the Bank of Canada or upon the second reading of the bill. Hon. members who are interested will find my former remarks in volume 1 of Hansard for last session, beginning at page 823. My observations on second reading begin at page 1291 in the second volume.

What does the hon. member mean by nationalization? I take it beyond question that it means complete and unfettered ownership and control and operation.

Mr. HANBURY: Socialization.

Mr. RHODES: Socialization, in other words, of our banking system, of our whole financial system, including the chartered banks. Let me say just here, lest I forget it, that my hon. friend in discussing the taking over of the chartered banks said this: I do not mean that we should take over their enormous capital structure nor their palatial bank buildings; all I mean is that we who legislated these banks into existence shall take over these facilities. Does he mean that he proposes to take over the properties of the banks without compensation? Does he mean compensation or confiscation, because it follows that if his resolution were adopted and the method he proposes were followed we should add to the national debt of this country some hundreds of millions of dollars, and that circumstance must not be lost sight of.

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I do not propose, as I said before, to traverse this subject at length, much less do I propose to traverse the whole ground covered in my speeches of last year, but I do desire to emphasize this circumstance, that there is a great deal of loose thought and confusion of mind in many quarters in distinguishing between national ownership, operation and control, on the one hand, and the using of a private instrument, if I may so term it, and setting up a quasi-public trust for the purpose of accomplishing under government supervision the objects we have in mind in operating the Bank of Canada. On that point let me indicate this: While it is true that the capital for the Bank of Canada is provided by the public, it must be borne in mind that if the government itself provided all the capital, it in turn would have to borrow that capital from the public, so from that angle it matters not whether you issue bonds bearing 4½ per cent interest or offer stock upon which you pay 4½ per cent interest. It is true that the rate of interest varies, but while the maximum amount which will ever be paid to the shareholders of the Bank of Canada is 4½ per cent, it must be borne in mind that we are not far removed from the day when the government itself in borrowing money had to pay more than that to the people of Canada from whom it borrowed it.

In the first place the shares of the Bank of Canada cannot be held directly or indirectly by a bank or any bank director, officer or employee. Second, the stock must be held by British subjects ordinarily resident in Canada, and the holdings under the statute are limited to 50 shares per person; whereas, as a matter of fact, the applications for the shares were so numerous that in order to divide the shares among upwards of 12,000 people who applied for them, the maximum holding is only a fraction of the original limitation imposed.

There is also no voting by proxy, as does take place in the ordinary banks, and which makes voting a perfunctory performance, the proxies being lodged in the hands of nominees prepared by the directors of those institutions. Not that I find fault with that practice; I am merely indicating that even in this respect every safeguard was exercised, as all proxies must pass through the hands of the Minister of Finance who alone is responsible for voting at bank meetings for those who are not able to be present.

Again, the governor, the deputy governor and the assistant deputy governor are in the first instance appointed by the governor in

council, and in the case of all subsequent appointments, the appointments must receive the approval of the governor in council.

Furthermore, it will be recalled that there were two important amendments introduced to the bill after it was brought into the house last year. One, which was brought in at the instance of my hon. friend, the financial critic of the opposition, the hon. member for Shelburne-Yarmouth (Mr. Ralston), provided that the governor or, in his absence or incapacity, the deputy governor, shall have a veto power over any action or decision of the board. That places an enormous responsibility in the hands of the governor, but it does at the same time prevent an undue possibility of control which might not be in the public interest on the part of the board of directors, conceding that such a situation might arise.

The second important amendment adopted was this, that the Deputy Minister of Finance is ex-officio a member of the board and of the executive committee. That certainly gives as close a contact between the government and the Bank of Canada as it would be possible to provide, making the government of the day familiar with the whole proceedings and policies and practices of the institution itself.

Then as I have already pointed out it is provided that the returns to the shareholders of the Bank of Canada is limited to a maximum of 4½ per cent, and that all profits in excess of that sum revert to the treasury of the country as provided in the act.

Lastly, but of tremendous importance, is this circumstance, that the by-laws of the board of the Bank of Canada must in all cases before they become operative be approved by order in council.

Now I submit that under these circumstances there is as complete a measure of control as it is possible for a government to have over an institution of this character. I am not going to traverse the ground that I covered last year indicating why it was that the government had come to the decision that this set-up of the Bank of Canada was preferable in the public interest, other than to say this, that by this method of control we have all the advantages of complete government operation, with none of those numerous disadvantages that would flow if the government attempted to operate a bank of this character subject to those influences, as it would be, I submit with all deference to those who may disagree with me, which I have not the slightest doubt in the world would wreck the institution from the start, if you attempted to run the bank in the public interest and surrounded by all the deadly dangers which would flow, not so much from the small questions of patronage, but from the larger questions involving the government in questions of bank policy.

I will use the simple illustration that I used last year. We had a condition in 1929 when the world was mad with the imaginary millions it was making out of the inflationary boom which occurred on the stock exchanges of the world at that time. If we had had a Bank of Canada at that day it would have been the bounden duty of the bank to have started a year prior to that time to restrict credit and to curtail it so far as it lies within the power of the central bank to prevent such a perfect maelstrom of inflation and speculation as occurred at that time. What would happen if we had a Bank of Canada owned and operated and controlled by the government of the day in view of the fact that we are only a few months removed from a general election? On the one hand you have the plain duty of the government to apply the brakes. On the other hand, you have the government faced with a general election and faced with a choice which might jeopardize its political future.

Mr. HANBURY: You might speak for your own political party.

Mr. RHODES: If my hon. friend will be good enough to rise and ask any questions that he has, I shall endeavour to answer them as best I can. In the meantime, if my hon. friend cares to discuss the question I will listen to him courteously as I would ask him to listen to myself, only asserting the right of any member of parliament to express his views so long as he does so in parliamentary language. Let me say this, in view of his interjection, that when I spoke of government I had no reference to the government of that day; I used the word government in the larger sense, and if it will please the hon. gentleman I will say this to him. Governments are composed of men; they are individuals, they are only human, and there never was and never will be a perfect government in this or any other country in the world. We must take men as we find them, and there would be that irresistible temptation to the government of the day, whether Liberal, Conservative, Co-operative Commonwealth Federation or what not, and the major interests of the country would inevitably suffer under the circumstances I have related. That circumstance

alone is sufficient to indicate the force of the argument which we used at that time for the setup of the bank as we find it to-day.

One other thought before I conclude, because I do not intend to discuss this matter at length. Let us assume for the sake of discussion that the Bank of Canada as we have it set up to-day is not the proper type of setup for an institution of that character in Canada. We are a young country, and we are embarking upon a new venture fraught with great possibilities of good, we hope, and possibly of ill, but nevertheless a tremendous venture having regard to the financial future of the country. Is it not the part of wisdom in these circumstances to profit by the experiences of other countries that have traversed the same ground during the last ten or fifteen years which we shall have to traverse in the next ten or twenty? We have not only the consensus of opinion of students of finance but the results of practical experience to teach us almost overwhelmingly the fact that the type of institution which we require is one similar in character to that found in the Bank of Canada—in other words, that we should get away from the type of government owned, controlled and operated institution. Be that as it may, however, we are profiting by the experience of other countries and other peoples in the way in which we have set up this bank. Next year, two years, three years, four years hence, we may find that we have been mistaken. I do not think we shall. But it would be far wiser for us to profit first by the experience of other countries and secondly by our own experience here before embarking upon a radical policy which runs counter to the experience of other countries in relation to central banking institutions. I leave that thought with the house, whether, we are not wise, now that we have set up a central bank, with its present status approved by parliament, to give that bank a chance to operate, and then we shall have our experience to guide us in the future.

I propose to leave my remarks at that, except to say that for the reasons I have indicated, among numerous others which I might point out; and for the reasons I gave in much more extended form in the two speeches I made, first on the introduction of the resolution and again on the second reading of the bill last year, I would ask the house to reject the motion.

Hon. W. D. EULER (North Waterloo): May I say at once that I had no intention of taking part in this particular debate but for some of the statements made by the Minister of Finance (Mr. Rhodes).

Mr. RHODES: Naturally.

Mr. EULER: Sometimes, indeed rather frequently, resolutions are brought up in this house with parts of which we may agree and with other parts of which we may not entirely concur, and this is a resolution of that kind. The resolution calls for the nationalization of the Bank of Canada and also for the nationalization of the chartered banks of the country. As the house knows very well, and as I think the country knows, though the people may just as well be reminded of the fact for fear of misrepresentation afterwards, we on this side of the house were last year almost entirely in favour of a publicly owned central bank, though we may not be inclined, at least now—I am speaking for myself—to go as far as the nationalization of the chartered banks of Canada.

In the banking and commerce committee last year, when the renewal of the bank charters was under consideration, and also the formation of a central bank, I heard the Prime Minister say that originally he was in favour of a publicly owned central bank but that upon consideration he felt it was not in the public interest to have a publicly owned institution of that kind. The reasons he gave for that view were startling to myself, because it was a reflection not only upon himself but upon his government, upon members of parliament and upon governments in general. He gave as his reason why the central bank should not be publicly owned the suggestion that it was too dangerous, that governments could not be trusted to administer the affairs of a central bank if it were publicly owned.

With that view I wish to take issue entirely, as I did at the time. We have fifteen or sixteen ministers in charge of portfolios, charged with the responsibility of spending hundreds of millions of dollars each year. I do not think the public is particularly alarmed at any thought that members of parliament, members of the cabinet, are not to be trusted in the administration of the country's business, and I for one wish to take distinct issue with the casting of reflection on governments, even this government, and the suggestion that it could not properly carry out the duties that would devolve upon officials of a central bank merely because a general election was in sight. I am quite willing that the Prime Minister should speak for himself and his government, but as an actual fact it is not a fair criticism to make of governments in Canada in general,

and certainly it is not borne out by the history of governments in this country in the past, no matter what party they represented.

A moment ago I referred to the fact that the bank charters were renewed last year, and this thought occurs to me. Now that we are entering upon certain reform policies, with most of which I am in entire agreement, inasmuch as they accord pretty well with what I have said in the last two years in this house—what I sometimes call my socialistic speeches—and now that there has been a change of heart on the part of this government and more particularly of the Prime Minister, in view of the fact that the government is now practically nationalizing the loan companies in the legislation that has just been brought down and will be brought down, I am wondering whether, if they had experienced this change of heart a year ago, they might not have been in favour of the resolution which is now before us. So much for the central bank.

I want to put myself on record, and I speak for most of my colleagues on this side, that we are still in favour of a publicly owned central bank. I have no such fears as the Minister of Finance has expressed, and other fears perhaps ill founded, that though we have given to what is after all still a privately-owned bank such tremendous powers as we have handed over to the central bank we could not give those powers to a publicly owned bank. I need not refer to all the arguments that have been advanced in this regard. We are handing over all our own gold and all the gold of the chartered banks to this privately-owned bank and the privilege of issuing currency, though not as much as they should have; moreover they have the control of credit in their hands. I for one do not think that power should remain in the hands of a privately-owned bank. I might point out this, as it was done last year I believe more particularly by the hon. member for West Edmonton (Mr. Stewart), that through the creation of a privately-owned central bank we are now actually subtracting from the powers that were formerly exercised by the government of this country. In former days we had under the Finance Act to some extent the credit-issuing power through the treasury board which is really a committee of the cabinet. That power has been taken away from us and been given to a privately-owned central bank.

So far as the chartered banks are concerned may I say this:—I have said it in the house and before the banking committee last year—

the power to issue currency should not remain with the chartered banks and I am sorry that the government, instead of taking only a portion of that authority away from the chartered banks, has not taken the whole of it. As the matter now stands, the chartered banks will be deprived of the privilege—and it is a privilege—of issuing currency during a period of some ten years, but even then they will still have the power to issue currency to the extent of 25 per cent. I would ask the Minister of Finance if I am right.

Mr. RHODES: Yes.

Mr. EULER: Personally, I think the government should have gone the whole way and taken the entire power of the issuance of currency away from the chartered banks and given it to the central bank.

Mr. RHODES: Will my hon. friend object to one question?

Mr. EULER: No.

Mr. RHODES: My hon. friend of course keeps in mind this fact—and I am quite sure he would not wish the question to be a long one—although it is true the 25 per cent will still remain at the time of the next decennial revision, it was left there for the purpose of being dealt with at that period, and he also is aware, I take it, there is no implied suggestion that that should continue.

Mr. EULER: Ten years is a long time and I cannot for the life of me see why if we adopt the principle that the government or the central bank should in future have power to issue currency we should take that power only to a degree and only from year to year. I have never heard any good argument advanced why, if we adopt the principle that that power of issuing currency should be taken away from the chartered banks we should not take it to the full one hundred per cent and I do not think it should take ten years to subtract that authority from the chartered banks.

I did not intend to take up so much of the time of the house and did so for only two reasons: first, the aspersion—and I think I may call it that—which was cast by the Prime Minister and again by the Minister of Finance upon the integrity and strength of character that ought to animate any government that has the interests of the people at heart, in suggesting that they could not properly and honestly administer the functions that naturally belong to a central bank. In the second place I want to put myself on record that I have not retreated and I do not think those on this side have

retreated from the position we took last year that we are entirely in favour of a publicly owned and controlled central bank of Canada.

Mr. H. E. SPENCER (Battle River): I did not rise immediately after the speech of the hon. member for Wetaskiwin (Mr. Irvine) in deference to the Minister of Finance (Mr. Rhodes) who I thought would like to answer directly the statements made by the hon. member. I have listened to the minister with a great deal of interest. I was somewhat surprised to hear him say that the hon. member for Wetaskiwin had rather rambled, though he did not use that word, on the various money systems, I thought the hon. member for Wetaskiwin kept fairly close to the present banking system but suggested how it might be used for better purposes. The Minister of Finance spent most of his time in referring to one part of the resolution, that dealing with the central bank. I have no complaint with regard to that except that I believe we would have been very glad had he said something about the possibility of taking over the other banking institutions.

So far as the institution of a central bank is concerned, I think this is a very big step in the right direction; I said so last session. On the motion for third reading I moved a resolution which I will read to the house and although it was defeated, I felt the central bank as placed before us was so much better than no bank at all that I supported the measure on the third reading. On the motion for third reading I moved this amendment:

> That the bill be not now read a third time but that it be referred back to the committee of the whole with instructions that they have power to amend so as to provide a stable currency and credit system based on goods and services, limited only to the needs of industry and social services and not by gold; to make available the national credit at cost for governmental services, and so lighten the terrific burden of debt.

Had that been passed I believe we would have been in a better position than we are at present. However it was not passed. The position we were placed in was either to vote against the third reading which would mean that we did not want the bank at all and that we were playing into the hands of commercial banks who did not want a central bank or, on the other hand, to vote for it which would mean that we felt we were taking at least one step in the right direction.

I noticed that the Minister of Finance in referring to the capitalization of the central bank said that practically all the shareholders had was the privilege of supplying the money for its capitalization. He went on to say that even if the government had subscribed that capital they would have had to borrow the money from the public. Surely the Minister of Finance must think the members of the House of Commons know very little of the money and banking system and of finance when he makes a statement of that sort. He must know quite well—and I am sure he does—that the effect of every bank loan is the means of putting new money into circulation to the amount of the loan. That being so, the government would not have had to borrow money for the capitalization of its bank but would have done exactly as the banks do to-day: when making a loan they would have written that much money into the existing structure based on the credit of this dominion. Before sitting down he made the statement that we must be very careful before starting anything of a radical character. I would like to remind him that nearly every single plank of the new reform program that is being put forward so ably to-day by the Prime Minister and his associates was looked upon for many years, indeed, prior to twelve months ago, as radical measures.

Mr. STEWART (Edmonton): Which one is radical?

Mr. SPENCER: The motion before us calls upon the house to nationalize our banking system. If it were giving every satisfaction, there is no doubt that resolution would not be moved. One reason why the present banking system—and I particularly refer to the private banking system—is not satisfactory is that it is carried on for a profit motive. I have a statement in a very interesting memorandum by the Minister of Finance (Mr. Rhodes) himself, which I think was sent to all hon. members. Referring to the central bank, he said, on page 10:

> Definite and drastic limitation of profits removes any possible danger which otherwise might attach to private ownership of shares. The Bank of Canada, however, is an institution expressly created for the purpose of safeguarding the public interest with regard to our monetary and banking system. This feature clearly sets it apart from all ordinary financial enterprises, which, of course, exist for the purpose of making maximum profits for their owners.

That is a statement with which I think we all agree. It is because of that fact, that the private commercial banking system is carried on for profit, for maximum profit, that in many cases it is not carried on in the interest of the people at large. Hon. members know perfectly well, I am sure, that the chief way by which money is put into circulation by the banking institutions is either by making loans

or by buying securities in the open market; and the way money is taken out of circulation is largely by the cancellation of loans, or the sale of securities. The old idea that a money system dealt chiefly with coin and currency is entirely out of date. Some outstanding bankers admit that only about six per cent of our whole monetary medium consists of currency and coin; the other ninety-four per cent is brought into being in the way I have mentioned, by ledger entries drawable by cheque. Those ledger entries are made by the banks upon taking good security from their clients. I support this statement by the authority of four men of world eminence. Mr. J. M. Keynes, the famous economist says:

> There can be no doubt that all deposits are created by the banks.

I might remind the house that every loan that is made creates a deposit of an equal amount, and when loans are cancelled, in the same degree the sum total of deposits is reduced.

Then I refer to a statement by Hon. R. McKenna, chairman of the Midland Bank, and one time Chancellor of the British Exchequer. He said:

> I am afraid the ordinary citizen will not like to be told that the banks can, and do, create and destroy money. The amount of money in existence varies only with the action of the banks in increasing or decreasing deposits . . . they who control the credit of a nation direct the policy of governments, and hold in the hollow of their hands the destiny of the people.

Although we have gone a considerable way towards controlling Canada's central bank we have not gone nearly far enough in controlling the actions of the private commercial banks. It is because of the powers they have at the present time that this resolution was moved.

Then may I refer to the British Macmillan report of finance and industry, which states:

> It is not unnatural to think of the deposits of a bank as being created by the public, through the deposit of cash representing either savings or amounts which are not for the time being required to meet expenditures. But the bulk of the deposits arise out of the action of the banks themselves, for by granting loans, allowing money to be drawn on an overdraft or purchasing securities a bank creates a credit in its books, which is the equivalent of a deposit.

Then we have a very interesting statement by Sir R. Kindersley, at one time a director of the Bank of England, which also supports the statement I made a few minutes ago:

> Deposits of the commercial banks—

He is referring to Great Britain:

> —amount to about £2,000,000,000 but this large amount has not, of course, been created by the deposit of actual cash, but has resulted in great measure from credit created by the bankers by the lending of money. The difference between the actual cash in its own till . . . and the total of the deposits represents approximately the extent to which the bank may be said to have manufactured deposits by the creation and sale of credit money.

It is through the power of the banks to create money at will and to call money in at will that the extraordinary fluctuations that have taken place in recent years, and the differences in price levels that have interfered with trade so badly in this and other countries have been brought about. May I for a moment refer to the fact that the total of loans made by banks in Canada amounted in 1926 to $1,229,000,000. At that time trade was on the upward trend, values were increasing and the banks thought it safe to make loans as fast as they could and were vying with each other in putting new money into circulation in that way. The result was that we had a steady rise in the loans made by the banks and the price level, until in 1929 they had out in loans no less than $1,864,000,000, an increase over 1926 of $635,000,000. Naturally prices rose. Then in 1929 came the collapse, the banks were afraid of their security dropping below the amounts loaned, so they began to call in loans in every direction, with the result that very soon business was left prostrated. Looking at the figures for 1932 we find that instead of having $1,864,000,000 they had reduced loans to $1,291,000,000, a reduction in those three years of $573,000,000. By the next year, 1933, the reduction from 1929 was no less than $704,000,000.

It is because of this enormous power which the banks have in regard to increasing or decreasing the amount of money in circulation that we put forward this resolution today. If the banks did only what some of them claim, just loaned money placed with them, it would not be so bad, but instead they use the private or national credit, or both, in increasing the money from time to time when they think it is safe to do so.

The Minister of Finance in reply to the hon. member for Wetaskiwin referred to what happened in 1929. He said the world was mad. But correcting that madness was left entirely in the hands of the private banking institutions, which left the country prostrate, as we know; a condition from which we have not yet recovered. The finance minister thinks that the present central bank will be

strong enough so to regulate our credit and currency in the future that that sort of thing will not happen again. I hope his judgment is correct; however I very much doubt whether, even with the powers we have given to the central bank, it will be in a position to regulate the banking system in the real interests of the people. I say without hesitation that, from the point of view of encouraging or sustaining the great industry of agriculture, for many years the banking institutions of this country have been absolutely useless. I say that because in the early days they encouraged people to get in debt in the worst way, yet when the people were in debt the banks gave probably less sympathy and consideration to agriculture than they gave to any other business in this country. I find that so particularly in western Canada, which I know much better than I know the east. We find that interest rates always have been too high, that terms have been always too short, and that renewals have been always too uncertain.

With these three factors facing agriculture a farmer has run great risk indeed in attempting to do business through a bank. He has had to turn over his commodities from six months to three years. Usually the bank regulations have required that notes be renewed every three months. I hold in my hand a statement sent me a few days ago by a man who borrowed $1,000 in a certain year at eight per cent interest. This loan, with interest compounded about every three months in five years developed into a debt of $1,560. I know of other cases which I need not mention at this time, but I am quite sure that many other hon. members could give similar instances.

It is refreshing to find that people other than those interested in agriculture are taking a keen interest in the matter of banking reform. Not only those engaged in industry but, in many instances, the bankers themselves are taking a vital interest in what is being done and what should be done. It gives me great hope when I read statements by such men as Right Hon. Reginald McKenna, who places the situation with regard to banking economics very openly and freely before the public. I was interested also to read a statement by Sir Thomas White in his book Wartime Finance, to this effect: "During the war Canada surprised not only herself but the world when her people subscribed for war bonds twice as much money as there was in Canada, and then we had ample money left with which to carry on a growing business." Sir Thomas White knew, as everyone who has studied the subject knows, how that is done; it is through the banks making use of the national or social credit. In view of that fact we are asking that proper use should be made of our national credit through both the central bank and the commercial banks, so that the people can take advantage of their own credit instead of allowing the commercial banks to monopolize it for private profit. I say that not only people engaged in industry and in farming realize the great changes that must take place; people engaged in banking also realize that if certain changes are not made the outlook may become very serious indeed. I should like to take this opportunity of placing on record a very important resolution passed at the fourteenth annual meeting of the Bank Officers' Guild, held in London, England. It reads as follows:

> That this annual general meeting of the Bank Officers Guild desires to direct the attention of the directors of British banks to the increasing body of opinion that the present system of currency and credit control is unsuited to modern requirements. It considers that unless drastic scientific reorganization of that system is undertaken voluntarily by the banks, such a course is likely to be forced upon them by public opinion and economic pressure. It is generally accepted that modern production with the existing abundance of natural products, if properly organized, is capable of giving to our people a high standard of comfort, and the opinion is widespread that the present system of money and credit control is an obstacle in the way of a better distribution of commodities.

That resolution strongly supports the statements made a short time ago by the hon. member for Wetaskiwin, who introduced this resolution. The hon. member pointed out that our problem to-day is not one of production but one of distribution, which can be solved by a proper reorganization of our monetary system. It is with the hope of having our monetary system so reorganized that it can be made to function efficiently, so that we will have no further difficulty in our distributive system, that the resolution is introduced to-day.

Mr. W. A. BEYNON (Moose Jaw): Mr. Speaker, it was not until I heard the remarks of the hon. member for North Waterloo (Mr. Euler) that I decided to take part in this debate. I enjoy listening to the hon. member, because he always contributes something to the debates of this house. He speaks without passion, and always speaks to the subject under consideration; he is moderate, and usually reasonable. As his reason for speaking this afternoon, however, the hon. member

said he felt that he should rescue the reputation of the members of this chamber from what he regarded as the aspersions of the Prime Minister (Mr. Bennett), which were more or less repeated by the Minister of Finance (Mr. Rhodes) this afternoon.

The hon. member for North Waterloo stated that in his opinion the Prime Minister had impugned the honesty and integrity of members of parliament. I was a little disappointed with that remark, because it did not seem up to the usual standard of my hon. friend's addresses in this house. I do not think he intended to be unfair. He may have construed the remarks of the Prime Minister in that way, but I do not think that is a reasonable construction to put upon them. I do not think anything said by the Prime Minister in speaking to us in the railway committee room could be taken for a moment as attributing to members of parliament any lack of honesty or integrity. The Prime Minister was pointing out that in times of abnormal prosperity—

Mr. EULER: He said before an election.

Mr. BEYNON: Quite so, but he also said that in a time of abnormal prosperity great pressure is brought to bear upon those who have control of credit and finance. I think we are all agreed as to that. The Prime Minister said that no administration, no matter how honest it might be or how irreproachable its integrity might be, could possibly resist that pressure during a great financial boom. I need only refer to what is known particularly by hon. members from the west, in regard to the local councils; they were actually compelled by public opinion to spend money like drunken sailors when they knew they were doing wrong However public opinion was so strong, people were so optimistic and the boom was at such a height that it was impossible to resist the pressure.

We have another example of this and in what I am about to say I anticipate hon. gentlemen opposite will think I am trying to be political. I assure them however that I am not. I urge these observations as an extenuation rather than a criticism. At the time this government took office the Canadian National Railways had been subjected to very extensive commitments which, under the circumstances, this government felt were too great. I do not think there is an hon. member on either side of the house who for one moment would impugn the honesty and integrity of the Minister of Railways in the late government. For the time being at any rate he is out of public life and we may speak frankly and freely about him. His honesty and integrity have never been impugned. But there was a time of great prosperity, and in the very height of the boom the ministry of that day, and the Minister of Railways in particular, could not withstand the pressure. I do not think for one moment the minister entered into the commitments for election purposes. I would not however say that all the members of the Liberal party were as free from that charge. A great deal of pressure was brought to bear upon him by people who for political purposes wanted the commitments, but I would exonerate the minister himself from any such charge. I would not refer to it now, because I do not wish to enter into a political discussion, were it not that it seemed to me a very forceful example of the very thing with which the Prime Minister dealt, an illustration of the tremendous pressure brought to bear when an election is pending and when, as in that case, the world is in a state of boom and prosperity.

I do not think the hon. member for North Waterloo intended to be unfair, but I do say he misconstrued the statement of the Prime Minister. I prefer to hold that belief because I have a very high regard for the hon. gentleman and for his wish to be fair and impartial. I do not think however that for one moment the words of the Prime Minister could be construed as impugning the honesty and integrity of public men. He was simply dealing with facts as he found them, with the fact that these forces are at work and that humanity has its weaknesses. We recognize those fralities not so much in our public men as in the men who send those public men here. That is, if one could have the public act as individuals I do not think the result would be the same; but we are dealing with mass psychology. That is what governs in times of prosperity and boom, and particularly with an election pending. I do not think it is fair to charge that in anything they have said the Prime Minister or the Minister of Finance impugned the honesty or integrity of public men. I believe they have as much confidence and as much faith in our public men as any hon. member in or any person outside of this house.

Mr. J. S. WOODSWORTH (Winnipeg North Centre): Mr. Speaker, the hon. member for Moose Jaw (Mr. Beynon) has come to the defence of the Prime Minister. In his radio speeches the Prime Minister has urged the necessity for regulation. He has urged that we have come to the present pass because there has not been proper regulation. May I observe that until the central bank

was set up there was very little regulation of the banks, and if we have got into trouble through faulty administration it is not because of the pressure of governments but because of the stupid mistakes of the financiers themselves.

It seems to me the question must be whether we will allow those who have personal interests in these matters to go on in their own way or whether we will put in charge people who are fairly directly responsible to the people. The Prime Minister has been urging reform. I venture to suggest that if instead of bringing in reforms with regard to unemployment insurance he had brought in some reforms to the financial system, such as have been suggested by the hon. member for Wetaskiwin (Mr. Irvine) we would be a great deal nearer the recovery which he has stated is so desirable. Some time during the past fourteen years—

Mr. ARTHURS: Is the hon. member opposed to reforms in the social system?

Mr. WOODSWORTH: No, but I would like to get real reforms, far-reaching reforms, fundamental reforms.

Mr. GARLAND (Bow River): Instead of running up rabbit tracks.

Mr. WOODSWORTH: Some hon. members in this corner during the past fourteen years have sometimes found it somewhat difficult to continue putting forward certain proposals which we felt were meeting with very indifferent reception. However I think that within the last few months we have taken courage because we have seen that a Conservative government is at last recognizing that public opinion is supporting the policies we have been setting forth. I do not know how far the Prime Minister himself has thoroughly grasped the significance of some of the statements which he has been making. I venture to say however that had the Prime Minister not recognized the insistent demands of the public for some very great changes in policy we would not have seen the proposals outlined in the speech from the throne at the present session.

I hope the hon. member for North Waterloo (Mr. Euler) speaks for the Liberal party. Some of us have been wanting to know just where that party stands with regard to public ownership and control of the banks. We were not very sure about that when we heard the Prime Minister speaking. I hope the hon. member for North Waterloo spoke not only on his own behalf but on behalf of the whole Liberal party. I am sorry to say several members of the Liberal party have been going throughout Alberta and British Columbia saying that we in the Cooperative Commonwealth Federation are opposed to public ownership and control of a central bank. I believe it is a rather regrettable circumstance when for party reasons men will descend to misrepresentations of that kind. It is quite true a majority of hon. members in this corner of the chamber voted in favour of the bill. I was one who did, and I have no apologies for so doing. Both in committee and again on the third reading of the bill, we did as we had done on its second reading, namely we did our utmost to get the government to stand for public ownership and control. When we were unsuccessful in getting the government to alter the measure to that extent we were faced with the alternative either of permitting the unrestricted and unregulated private ownership which has existed up to the present, or adopting the bill the government brought down. On the whole I thought it was best to support the bill. I had two reasons for doing so, the first being that I thought it was a step in the right direction. As the minister has said, there is in that legislation a measure of government control. It seemed to me, further, that in years to come it would be a bit of socialistic machinery which might very well be fitted into a larger socialist program. But when we voted in favour of that bill we did not do so because of its private ownership or control features. I think that is abundantly clear to anyone who has known our position in the house during a number of years. I think it was in 1925 that I myself brought in a resolution to the effect that the issuance of currency and the control of credit were functions too important to be left in the hands of private institutions. I believed it then ten years ago, and I believe it just as strongly, if not more strongly to-day.

I am frank to admit that the first steps taken in the organization of the new central bank do not give one a very great deal of confidence in what the future may be. It may be that the board of directors will not have a very great measure of control, but I would remind the house that the board of directors as chosen consists entirely of the slate that was put up by the chambers of commerce, so that so far as the board of directors have any influence, it is the chambers of commerce bank to-day. I am inclined to think that with the board of directors so nominated, and with the private ownership features, with the governor and his deputies appointed in the way they are, it may very

well be that the central bank may fail to function. I say that for two reasons. First of all in stabilizing the general price level very very frequently a central bank is called upon to go absolutely counter to the prevailing trends of the day. When the tendency is towards inflation the bank should take rigid steps to restrict credit. On the contrary, when there is a period of depression they should make money easier. Now when the directorate is composed of men drawn from banking circles, nominees of the chambers of commerce, and when there is a certain amount of private gain involved, I cannot quite see how that bank is likely to go counter to the prevailing tendency of the day.

Further than that it seems to me that the central bank ought to develop some very radical changes in our whole monetary system, but I cannot very well believe that a body so appointed is likely to introduce any very fundamental changes in our monetary system, and without such changes I for one do not believe we are going to get very far.

The resolution as introduced by the hon. member for Wetaskiwin (Mr. Irvine) not only calls for the nationalization of the central bank, but also that all banking facilities, including those of the chartered banks, should be nationalized. Now while the central bank may be able to maintain a general price level —I think that is its fundamental purpose— I would point out that it is the chartered banks that decide to whom credit shall go. The central bank to a certain extent can determine the volume of credit, but the chartered banks decide whether credit shall go in this direction or in that, whether it shall go to this class of industry or to that, whether it shall be concentrated in the east or go to the west. All that power is to-day still in the hands of the chartered banks, and, Mr. Speaker, I do not think such tremendous power should be left in the hands of private corporations.

We talk about different kinds of money, and their effect. Gold, for instance. We know that is practically negligeble to-day. Then paper currency. A great many of us centre our attention upon that. The Minister of Finance (Mr. Rhodes) to-day pointed out that before very long the central bank will have to issue the greater part of the currency. That is all very well as far as it goes, but as my hon. friend from Battle River (Mr. Spencer) noted this afternoon, something like 94 per cent of the entire purchasing instrument of this country does not consist of gold or of currency or of subsidiary coin, if you like to put

that in, but rather of certain deposits or loans —credits, if you like to call it that. I noticed a characterization of that kind of money in the annual report of the Bank of Commerce. They used the phrase—money created by trade. I think that a very good phrase—money created by trade. That class of money constitutes the great bulk of the money in circulation to-day, and that class of money is still entirely in the hands of the chartered banks. It is only very indirectly indeed that the central bank can control that class of money. Certainly it does not control the particular avenues through which it will pass. Through interlocking directorates we have the possibility of a very small number of people, a score or more of people, being able very largely to say in what direction the credits of this country shall go. A great many people suggest that the capital held by the chartered banks is widespread. They point out that there is a large number of shareholders, and further, that although the dividends are fairly high they need not be considered exorbitant. But, Mr. Speaker, I submit that the great advantage which the chartered banks possess does not come through the dividends paid to the shareholders. The great power that they have is in being in a position almost to monopolize the credit of the country. That is where they have the advantage. If I were a director of a bank I would not care in the slightest whether I held any stock in the bank or not. My financial success would not be dependent upon the stock in the bank. I would rather utilize my position as a director in order to turn credit here, there or yonder. That is the power the banks have. My hon. friend from Moose Jaw (Mr. Beynon) suggests, men are human. That is true, so human that I think there are very few of them that would not use the credit which they control for their own advantage or for that of their friends. Someone interjects that the bankers are also human. Yes.

An hon. MEMBER: And politicians.

Mr. WOODSWORTH: Politicians are human too. I do not think they are any more susceptible to influence than the bankers; it is a different kind of influence. What I do object to is the tacit assumption by the Minister of Finance, I think, to-day, and by a great many people of what I might term the divine right of bankers. The Minister of Finance wondered how we could possibly buy out the banks and thought it would almost beggar us to do so. Well, a year ago the banks came to us asking for a renewal of their charters. Supposing that

we in this parliament had simply said to the banks: We shall not renew your charters. I am not suggesting that that would be good policy. I have never put that forward as the policy I would advocate, but I say, suppose this parliament had simply said to the banks: We will not renew your charters. Where would the banks have been? I would like to know what would have been the value of their capital under those conditions, and what would have been the value of their bank premises. I have said before, I do not know whether it was in this house or not, that the bankers have no more moral right to their charters than a peddlar has to his licence, none whatever. If we choose in a little town to take away the pedlar's licence we do not find him going around whining for compensation. We give charters to the banks, or have done so in the past, because we believed that was the best way of administering the credit of this country; but just as soon as we come to the conclusion that it is not the best way of administering the credit of the country, then we are free to adopt whatever method we please. You may say that it is dealing rather hardly with the banks. Well, possibly it may be a hardship; and yet, if I may give another illustration, when some years ago the bartenders had their trade taken away from them, I do not know that there was any particular compensation granted them in consequence. In almost every line of development certain people have been left behind. When the railway came in the stage coach people were left behind and they suffered a good deal of hardship. When the motor cars came along the railway people began to suffer and they are suffering now. And one of these days, I suppose, when the airplane becomes a commercial success it may very well be that those interested in motor cars will suffer hardship. That seems to be the penalty for all progress. Possibly in an ideal state we might see that those people upon whom hardship falls because of progress should be looked after; I would vote for that. But I know that is not so in relation to the labouring classes, who because of improved machinery are turned loose, receiving possibly a little unemployment relief, which is all they get.

I cannot think that the banks have any divine right to what is practically a monopoly, the giving of credit in this country; and it seems to me that, from the way in which they have behaved in the past, it may very well be that we have reached the point where we are free to conclude that there are better ways of handling credit. The Prime Minister said there was a possibility that politicians or governments would not be able to stand pressure. Well, I would ask whether bankers have been able to stand the pressure. What happened when there was a great deal of gambling going on in the stock exchange in New York? Did not our own banks lend money for gambling purposes on the stock exchange? And what about the pulp and paper industry? Did not the banks, some of the directors of which were financially interested, lend large sums to that industry? Of course. They have not stood the pressure, and I hate to think that they should be elevated to the position in which they are considered and consider themselves so much superior in their judgment and morale to the rest of the people. Not a bit of it.

After all, notwithstanding what was said by the hon. member for Moose Jaw, I submit that the hon. member for North Waterloo is right when he says that the Prime Minister did more or less cast a reflection upon parliament—I think, upon the fundamentals of democracy. If parliament is not the agency through which the rights of the people may be protected and public affairs administered, then let us get rid of parliament and find some better institution. But so long as parliament exists, so long as it even inadequately represents the people, then retain power in parliament. I think we are very well advised to set up commissions which may be to a certain extent removed from the day to day interference of politicians. That may be desirable. For example, I do not know enough about railroading to fuss around and interfere with all the details of railway management; I do not think that can be expected of the ordinary member. But I do think that the great policies of the railways should come before the house; that is another matter. If parliament proves unable to deal with these things, let us get another sort of institution that will more adequately carry out the democratic ideals which we have all cherished.

A great many people think that if we nationalized our banks depositors would lose. I cannot see any need of that. I might remind the house of a little incident of two years ago—I think I have mentioned it here before. In my own province we had a provincial savings office. The premier of Manitoba, rather hard pressed to carry on the business of government, took some of the ready cash for carrying on public affairs and replaced it by provincial bonds. I presume

that those bonds would some time have been good, but certainly they were not ready cash, and there was a threatened run on the banks. Mr. Bracken came to the Prime Minister and said, "Will you guarantee our provincial bonds?" The Prime Minister answered, "No, I cannot do that; that is a matter for the banks." Premier Bracken had to go to the banks and they ultimately agreed to take over the savings office, on condition that the government would go out of the savings bank business. Then we called for the papers and we learned that the Prime Minister had given to the banks the guarantees that he had refused to give to the province. I personally learned a great lesson from that. I had a savings bank deposit. When I went back after the session I found the savings office closed; the windows were all shut, the bank having moved out. My desposit however was not lost; I found it in one of the chartered banks, quite safe. Without my knowledge or consent my private account had been transferred from a public savings office to a private chartered bank. I would suggest, as the lesson I have learned, that it is just as easy for an account to be transferred from a private chartered bank to a public savings bank or a national bank.

I do not need to go over the ground covered by my hon. friend from Wetaskiwin. We in this corner have for years been trying to bring home to this house and the country the necessity for public control over some of our major industries and some of our major utilities. We have been misrepresented and lampooned in every way possible. But whether or not the house understands us, the country is beginning to understand the necessity for something of this kind, and the development in the financial and economic world is forcing the issue. I think we are undoubtedly on the right track when we say that the next step that lies before us, perhaps one of the greatest steps, is the nationalization of our whole financial system. Until we accomplish that we are not in a position to control the industry and the commerce of the country.

I would commend this resolution to the government. It seems to be very much in harmony with some of the fundamental principles stated by the Prime Minister, at any rate those stated in his earlier addresses on the radio.

Hon. CHARLES STEWART (West Edmonton): My good friend and colleague (Mr. Euler) has put the position of the Liberal party fairly before the house on this important matter. Perhaps I would not have said anything but for the remarks of my hon. friend from Winnipeg North Centre (Mr. Woodsworth) who said that throughout Alberta and British Columbia he was being lampooned—he and his associates—for their action in connection with voting for the central bank. I must confess I am one of those who lampooned him if that is the case, and the explanation given by the hon. member this afternoon has not cleared up the matter so far as I am concerned. I cannot understand their attitude. This may be unfortunate on my part, but if they are opposed not only to the principle of the central bank but to the management and then vote for it and say that they did so on the ground that it is a step in the right direction, then I must be convicted of having misrepresented these hon. gentlemen. This afternoon we have a motion from the same hon. gentleman asking us to support the nationalization of banking in its entirety, taking over the private institutions and nationalizing this very institution that we objected to because it was going to be privately controlled. That also is a change of heart on their part this year.

Mr. WOODSWORTH: I feel quite sure that the hon. member for West Edmonton does not want deliberately to misrepresent us.

Mr. STEWART (Edmonton): Certainly not.

Mr. WOODSWORTH: In that case I beg him to admit that there has been no change of heart on our part. If he will read Hansard, which shows what we said, he will come to the conclusion that there has been no change of heart whatever.

Mr. STEWART (Edmonton): I have to judge individuals not by the statements they make but by the votes they record, and it is upon the recorded vote that I take my stand. I voted against that motion. Had I not done so I should have been subjected to criticism. In the main I am in agreement with the provisions governing the central bank, but I am certainly very far from being in agreement with its ownership and control, and on that ground, as has been stated by the hon. member for North Waterloo (Mr. Euler), I voted against it.

My hon. friend takes the other ground that it was sufficient on his part and that of his colleagues to support the bill on the basis that while discussing the matter on the floor of the house they opposed it. I agree with

them in that, but I could not go to the extent of voting for this measure because in my remarks I had opposed it. Either they are wrong or I am, and I do not think I am.

Mr. WOODSWORTH: Would the hon. gentleman permit one other question?

Mr. STEWART (Edmonton): Certainly; I will permit a dozen questions.

Mr. WOODSWORTH: Suppose the hon. member voted against the resolution of my colleague the hon. member for Wetaskiwin (Mr. Irvine); would he like us to go throughout the country and say he was opposed to the nationalization of the central bank?

Mr. STEWART (Edmonton): That is exactly what my hon. friends will do anyway; I have to take my chance on that. I do not like to insinuate, but I think hon. gentlemen in that corner have found themselves in a somewhat difficult position with reference to their registered vote on this matter. One or two of them at all events felt the same as I did and did not support the government in foisting on this country private ownership of a central bank.

The hon. gentleman also said that their attitude might influence the government in connection with what they were going to do with the bank. The government could have passed that legislation without a single vote being registered from that corner of the house; they did not need my hon. friends' votes to register the popular opinion of this house as indicated by the government majority. I must defend the position I took last summer—and I took it wherever I spoke—that I did not understand the attitude of hon. gentlemen on this question, and I do not yet. I merely say that either I was wrong in registering my vote against the bill, or they must be wrong in the attitude they took.

We still stand, as the hon. member for North Waterloo has indicated, for public ownership and control of this central bank. We believe that is the agency through which we can properly regulate this institution. Hon. gentlemen will disagree, and they have a right, if they see fit, to do so on this particular matter. We feel sufficient control can be exercised over the operations of the private banks to give the people of this country with whom they have business a square deal. I am not even going to blame the private banks for the condition in which we find ourselves to-day. What is the trouble with the Canadian people to-day in common with those of every other country? We have had too much credit. Neither the members of the government nor the banks can escape this responsibility. Both have been guilty. I have heard the statement—and it is an expression we can all understand—that we spent money like drunken sailors, both governments and banks. Every institution did the same thing until we reached the stage that my hon. friend has so ably depicted this afternoon. We now find ourselves in a very unfortunate position. Let me put my attitude very clearly. I am not going to say that I am opposed to nationalization of banking, but I want first to nationalize the central bank and see how far that control can go. I do not wonder my good friend in believing in what he was voting for last year is disappointed. He freely admits that; he says that there is every evidence of it. The evidence is growing that private control is going to dominate the actions of this institution, and that is exactly what we felt and feared would happen. But at the same time I for one am not in a position to say that nationalization of private banking will cure the situation. The Minister of Finance (Mr. Rhodes) put his finger on the spot when he said: We are all human and we are doing the very best we can, what in our judgment is in the best interest for ourselves and for the public whom we serve. I do not believe if we had had our banks nationalized to-day we would have been saved from going into the morass of debt in which we now find ourselves. I can understand a situation where we would abolish interest altogether, what my good friend McGeer calls usury. Then the incentive disappears; this would take money out of the position of being a commodity and we would use it merely as a medium of exchange. I can understand that situation, but to say you are going to permit the usury system to continue and to transfer it from a private corporation to a publicly owned one and thus cure the difficulty in which we find ourselves, is something with respect to which I have very grave doubts, because while different men will be in control they will be human beings just the same.

I do want to be definitely understood as going to the extent of having control exercised publicly, nationally, of the central bank. I will go with my hon. friends a long distance in the way of restraint and restriction upon the operation of private banks. Possibly I will go the whole distance of nationalizing them if it can be demonstrated that the first step is a success and that the second is also a success. It may be all right to transform overnight the whole financial and banking

institutions of the country from private to public ownership, but I would not care to take such drastic action without a little more consideration than we are giving the matter at the present time. That is the only difference between them and me. We want the central bank to be publicly owned and controlled; we want that step to be taken. I doubt if my hon. friends over there would go to the extent indicated by the resolution moved this afternoon, the complete nationalization of all the banking institutions. I do not believe any system is perfect; I agree with the minister when he says that as long as we have human mentality administering the business of this country, we shall have mistakes. I do not agree that either by private or by public bodies they are made with the intention of having a harmful effect upon the public generally. But mistakes are made, and the government will have the same mentality, whether there is public or private control. But I agree thoroughly with the hon. member for Winnipeg North Centre that the parliament of Canada cannot escape responsibility for the policies which will govern. We have a right to control these institutions which get from parliament the right to do business. In that I am at one with my hon. friends. But I regret that I cannot be with them in their attitude of last session in supporting what I consider a privately owned institution.

I am not going into details as to the central bank itself; I simply content myself with making my position clear on the question immediately before us.

Mr. ANGUS MacINNIS (Vancouver South): Mr. Speaker, I do not think I have ever ventured to speak in this house before on a question of finance. We have so many financial experts in this corner that perhaps it was not necessary; besides, it is a rather dangerous proceeding for a person like myself. I should not have risen on this occasion had it not been for a statement made by the Minister of Finance (Mr. Rhodes) to the effect that in 1929 we were in a world gone mad. That statement is not very strange in itself, but it is strange if the implication is that we are at the present time in a sane world. In 1929 we had gone mad to the extent that we thought we could all get rich by buying bonds from each other or from the numerous bond salesmen. Now we believe that we must remain poor and in fact suffer privation because we connot find enough money to distribute the commodities that we can produce in such abundance. If the Minister of Finance suggests that that is an indication of sanity, then we differ in our definition of sanity.

What is the purpose of the resolution? It is to nationalize the banking facilities of Canada. Why do we want to nationalize the banking facilities of Canada, or what does nationalizing them mean? It means the transfer of the banking facilities from private to social control. It means taking out of the hands of private owners an important factor in production, and vesting the ownership in the community or the state, whichever term you may care to use. Why should we wish to do that? Because we feel to-day—I think everyone, even the Minister of Finance, will admit it; the Prime Minister (Mr. Bennett) has admitted it—that private ownership of the means of production leads to their use for the benefit of the owners always, and not in the interests of the people of the country. All that we are suggesting is that we should transfer these instruments of production and distribution from private ownership and place them in the hands of the community in order that they may be used for social benefit. Is there anything wrong with that? There is no other possible way in which that end can be accomplished except by transfer of ownership.

There is one point on which I think I must differ from the mover of the resolution. He stated that the control of industry by finance prevented industry from fulfilling its purpose. I can see what the hon. member for Wetaskiwin (Mr. Irvine) meant by that; he takes it that the purpose of industry is to carry on production, to produce commodities to meet social needs. But that is not in fact the purpose of industry under private ownership. Under private ownership the purpose of industry is to produce property rights for the owners of the means of production. To-day the control of industry and of finance is in the same hands. If we do not use the nationalization of finance as the means of socializing and nationalizing industry we have not accomplished anything by socializing finance.

What gives a bank its value? What gives the Bank of Montreal its value, what gives the Canadian Bank of Commerce or the Royal bank or any bank its value? The fact that the community uses its services; that is what gives it value. If the community ceased to use its services the value of the bank to its shareholders would disappear. It is the community, the social organization of society, that gives to every economic and financial and business organization its value. The

moment that institution is transferred into the hands of the community it is of no further value to the interests that formerly owned it, except in so far as they are part of the community; then they obtain value from it only in equal measure with the rest of the community. That is the primary reason why we seek to socialize not only our banking facilities but all our industrial processes as well; for if the community gives the value then the community should own and control and appropriate that value. That is impossible as long as we maintain the present basis of private ownership.

Now may I say a few words in regard to the action of some of us in this corner in voting for the Bank of Canada bill last year. The hon. member for West Edmonton (Mr. Stewart) tried very hard to justify his position, but it was not very convincing to me. The Liberal party, or at least a section of the Liberal party—and I am not sure but that it is only a section that is now advocating national control and ownership of the central bank—had been advocating that for quite a number of years before they came into office. At the Liberal convention of the western provinces, held in Winnipeg in 1917, a resolution was passed unanimously which read as follows:

That, in the opinion of this convention, the time has arrived for the reorganization of the barking system of Canada, so as to bring it more nearly within the democratic spirit of proper regulation and control by the people, and with this object in view, be it resolved—

This is what they resolved:

1. The banking system of Canada should be placed under the control and regulation of a banking commission invested with plenary powers in all matters pertaining to banking, currency, coinage and credits, and, in particular, to regulate and control:
(a) the issues of public currency;
(b) the coinage of gold and silver;

And so on. That was in 1917. They came into office in 1922 and remained in office until 1930, but not one step was taken to make this policy operative. Furthermore the bank charters came up for revision in 1922. My friends in this corner who were here at that time tried to get the government of that day to put some of these policies into effect. I believe the hon. member for West Edmonton was a member of the government at that time. These are some of the things they were to regulate and control:

(a) The issues of public currency.
(b) The coinage of gold and silver.
(c) The purchase of bullion produced in Canada.
(d) The amount of call money loaned outside of Canada.
(e) Interlocking directorates.
(f) The supervision of credits.
(g) The capitalization of banks.
(h) The payment of dividends.
(i) The relations of subsidiary trust and money lending concerns to banks.
(j) And generally, all such matters that are necessarily incident to the proper regulation and control of banking and currency.

I believe the present government have put paragraph (c) into effect. All those other financial activities ran rampant while hon. gentlemen to my right were in office, but not a line was put on the statute books to regulate or control any part of the system.

Mr. DAVIES: What is my hon. friend reading from?

Mr. MacINNIS: From a copy of the resolution forwarded to me by the man who moved it in committee and later, I think, on the floor of the Liberal convention, held in Winnipeg in 1917.

Some hon. MEMBERS: Oh, oh.

Mr. MacINNIS: I do not see why hon. gentlemen should laugh because this was passed at a Liberal convention held in Winnipeg. The resolution proceeded:

Be it further resolved in connection therewith there should be established a national bank of Canada as a central reserve institution, upon whose board of governors should also sit, amongst others, ex officio, the members of the said banking commission; the objects of said national bank to include inter alia the primary responsibility of marshalling and mobilizing the gold and silver reserves of the nation, and the ownership and control of the issues of public and national currency.

It seems to me rather late in the day, having had this program before them for seventeen years and having been in office for nine years without doing anything to put it into effect to find fault with those who are seeking to do so.

Mr. VALLANCE: Was that a federal or a provincial convention?

Mr. MacINNIS: That was a convention of western Liberal delegates. I have no doubt my hon. friend from South Battleford was there.

Mr. VALLANCE: I can assure my hon. friend that I was not there.

Mr. MacINNIS: Then I am sure the convention was that much worse off. When the hon. member for West Edmonton was lampooning and criticizing those of us in this corner during his speaking tours last summer, I

wondered if he read to his audiences the amendment moved to the central bank bill by the hon. member for Vancouver Centre (Mr. Mackenzie). I should like to read it to the house once more. This is the amendment moved by those who were in favour of a nationally owned and controlled bank, on the third reading of the central bank bill on June 27 last:

> That the bill be not now read a third time but that it be referred back to the committee of the whole with instructions that they have power so to amend it as to provide that the Bank of Canada shall be either,—
> (a) Government owned and controlled;
> (b) Government owned; or
> (c) Government controlled.

Those to my right, Mr. Speaker, may be able to see this with perfect clarity, but I cannot understand what kind of bank the Liberal party really wanted when they moved this amendment. I find that in the first place they are in favour of a government owned and controlled bank. Then, if they cannot have that, they are in favour of a government owned bank and presumably, since the amendment contains nothing to the contrary, a privately controlled bank. Then, if they cannot have a government owned and controlled bank or a bank government owned and privately controlled, they want a bank government controlled and privately owned. The more I read this amendment the more I am convinced that they did not know at that time what they really wanted. To support this contention I should like to quote from the speech delivered by the right hon. leader of the opposition (Mr. Mackenzie King) when this amendment was moved. He said:

> Speaking for myself, may I repeat that I can see wherein the question of public ownership of a state bank may well be a debatable question. I regard it as debatable for the reason that there is much to be said on both sides.

There you have a perfect reason for refusing to make a decision; because you can say something on this side and something on that side, because you can say something for it and something against it, when you put both together you stay where you are.

Mr. MUNN: That is what you did.

Mr. MacINNIS: No, that was not what we did.

Mr. MUNN: You hit on both sides.

Mr. MacINNIS: We did nothing of the kind, and let me tell the members of the Liberal party that we now have the national bank bill on the statute book, and it will require only a minor amendment to make that bank nationally owned and controlled. The point that I took into consideration was this: Suppose my vote would have the effect of preventing the creation of a national bank; would I vote for or against it? It was a step in the right direction; there was at least some control, and all the private bankers in the Dominion of Canada were opposed to it, so I supported the bill. My hon. friends to my right talk about the money power, yet they voted directly with those opposed to the central bank, those who wanted to keep the money power in their own hands.

I do not think I need say more on that phase of the matter. All I want my Liberal friends to do, when they go about the country accusing us of supporting this measure, is to read to their audiences the amendment moved by the hon. member for Vancouver Centre. It was not until we in this corner moved a further amendment deleting the alternatives that they were compelled to declare themselves in favour of a nationally owned and controlled bank. These are all matters of record already, Mr. Speaker, but I wished to put them on record again.

I must say that it makes me laugh every time I hear in this house of the dangers of political interference in connection with the central bank. Our bankers raise their hands in holy horror of government ownership and control, for fear of political interference. What do they mean? They just fear that someone else may get a finger in the pie instead of themselves; that is all. They are only afraid that someone else will get a hearing; they have had all the breaks so far, and they are afraid that someone else may get ahead of them. Shortly before I came east I was talking with one of the new members of the provincial legislature of British Columbia. He was elected for the first time in 1934, and he said that what amazed him when he went to the session of the provincial legislature was the number of interests who were lobbying the government. He said the mine owners had a lobby and the lumber operators had a lobby. Everyone a person could imagine had a lobby—except the workers and farmers. They did not have lobbies. Of course the bankers have their lobbies and that is the reason they are opposed to political control, to government ownership.

Let me repeat that unless the ownership, the socialization or nationalization of our financial institutions is used as a means of socializing or nationalizing means of production it will not be worth anything to the people of this country. Believing that that

is what the hon. member for Wetaskiwin had in mind when he moved the resolution, I am prepared to support it.

Mr. MICHAEL LUCHKOVICH (Vegreville): Mr. Speaker, the remarks of the hon. member for West Edmonton (Mr. Stewart) have led me to believe that the Liberal leopard has not changed its spots, but that in the future it will continue to win its way back into power by stealth, rather than by coming out in the open. The Edmonton Bulletin, of June 30, under the heading, Great Betrayal, declared in its leading editorial that seven United Farmers of Alberta, one Progressive member from Saskatchewan and two Labour members lined up at the eleventh hour with the government policy to vote down the proposal that the central bank be publicly owned. They called it the great betrayal. The hon. member for West Edmonton on many occasions, according to his own words, referred to the so-called great betrayal of the group sitting in this corner.

So far as I know the leader of the party to which the hon. member for West Edmonton belongs has on no occasion, either in this house or out of it, stated that he was in favour of the nationalization of the banks, or even the nationalization of the central bank. It does not make any difference what the hon. member for West Edmonton or any other member in his party has to say, until we definitely know what the right hon. leader of the opposition has to say about this matter of banking; otherwise whatever the hon. member for West Edmonton has to say will be as sounding brass and tinkling cymbal; for the policy of the leader is the policy of the party. On no occasion have I heard of any alternative policy being offered by the official opposition either in this house or outside of it.

In all his speeches the hon. member for West Edmonton states, "If we get back into power, through the instrumentality of low tariffs, restoring old markets and finding new ones, we will bring back prosperity." And the exuberance, the extraordinary optimism, the extravagant hopefulness he has shown, and that shown by other hon. members behind him, would almost lead one to believe that when the official opposition got into power strawberries would grow on stinkweed, grain on sow thistles, bananas on poplar trees and other luscious fruits on a lot of other obnoxious plants which spread so profusely in western Canada. Such is the dream, but what is the reality? But never mind, O Canadian people; for the wizard leader of the opposition will lull you into sweet and opiate forgetfulness through the policy that the hon. member for West Edmonton has so eloquently promulgated throughout the length and breadth of the land. And when the autocratic Hitler sees the democratic King emerge from the valley wielding the big club of negotiation, fear will seize the great German nation and the hills and the valleys which were made to produce golden grain will go back to producing hops and grapes as before; and the bread that was made to feed German mouths will henceforth be made out of good Canadian wheat. And when Il Duce hears of the recent provincial victories as well as the federal one he will have a fit of panic before this new international cave man, and shiploads of wheat will wend their way to the land of macaroni and spaghetti as hitherto. And the economically planned United States, seeing the condition of affairs in laissez-faire Canada, when the official opposition gets into power will send aeroplanes into the air which will throw bombs to destroy the artificial barriers existing between Canada and the United States. The French republic, with equal consternation, leaving well enough alone, will employ her farmers in the production of perfumes, cosmetics, bric-a-brac and other delicatessen instead of letting them produce grain. That is the impression they intended to create throughout the west, and that is the impression the hon. member for West Edmonton has often tried to create right here in this house. There is no question about that.

So far as the resolution moved by the hon. member for Vancouver Centre (Mr. Mackenzie) is concerned there can be no doubt about its alphabetic stupidity. It was no doubt drafted with the feeling that it might be heaven, hell or purgatory that his party would share, so he thought it very well to make friends everywhere. I did not intend to speak on this motion, but it would seem that to-day we appear to be running in a circle. One hon. member will get up and say, "Well, I would not have spoken had it not been for the hon. member who preceded me." I am afraid I am in the same position as three or four other hon. members who have just spoken about this banking question.

Yes, I was one who voted for the central bank last year, and I do not care whether a hundred members for West Edmonton go into the Vegreville constituency to decry the facts; I am quite prepared to tell the people in Vegreville why I voted how I voted and

where I voted. There is no doubt that the central bank can be made nationally owned at any time, and if the official opposition gets into power, as the seer, the dean and the patriarch of the house, the member for Labelle (Mr. Bourassa) predicted only a few days ago, and if they are serious about making the central bank a national bank, I shall be prepared to give them not only one vote but, if I had them, one hundred votes.

Mr. JEAN-FRANÇOIS POULIOT (Témiscouata): Mr. Speaker, I have just listened to the speech of the hon. member for Vegreville (Mr. Luchkovich). He has not answered the question I put to the Cooperative Commonwealth Federation two years ago, namely in February, 1933, concerning the nationalization of the banks. If you, sir, would kindly allow me to adjourn this debate until eight o'clock I would have sufficient time to get Hansard of 1933 and read those questions to the members in the corner of the house, and in that way we would learn whether or not they are ready to answer them.

This is no time to make jokes about macaroni, spaghetti, sausages, delicatessen and so on. If the hon. member's stomach is empty, then he may go to dinner and have sausages, macaroni, spaghetti, tripe, gravy and anything like that. Let him eat pork, beef, or what he will; but that is no argument upon which to exercise one's brains. I expected some thought to come from so genial an hon. gentleman, but what did we have? We had a most indigestible menu, something that one could not eat, even with H.P. sauce. He recites the bill of fare in the midst of a dignified discussion of one of the most important problems of the day. We have these gentlemen with us who say: Let us nationalize the banks, nationalize the deposits which have been entrusted to the banks by the people of this country. Sir this is a matter of great concern to everyone who has a dollar in the banks. Would it be any better if the state owned and controlled all the money which has been deposited in the chartered banks of this country? That is the question, and it is one of momentous importance. It has already been discussed in this house, and discussed throughout the country. Not later than last fall there was a by-election in the city of Toronto, and a gentleman whom I know well was a candidate of the group who sit in the extreme left corner of this house. What was the result when the matter was submitted to the intelligent people of Toronto? It was this: the man who was the candidate of that group or party to my left, call them what you like, got a minority vote, but his minority vote helped to elect the Tory candidate.

There is one difference only between the Prime Minister (Mr. Bennett) and the leader of the Cooperative Commonwealth Federation group (Mr. Woodsworth); one is clean-shaven and the other is not. That is the only difference between the hon. member for Winnipeg North Centre (Mr. Woodsworth) and the hon. member for West Calgary (Mr. Bennett). Two years ago in the month of February I asked fifty-five questions of the hon. gentleman who sits to my left, and I got no reply from any of them. They were all dumb—just as dumb as if they were ministers of the crown. No answer; and now the only answer we get, after two years in which they have had time enough to think over the matter, is jokes like those we have just heard or invective against one or other of the parties in this house. They cannot answer the questions that I asked, questions which were based on their program; and instead we hear jokes. It is all right, sir, to promise the moon. It is all right to say that someone will go up into the sky—the sky is the limit—and bring down the stars and offer them to the hon. member for Vegreville, but I say to the hon. member for Vegreville: while he may be a star, he is not a star from heaven, judging by the materialistic speech which I have just heard him deliver. It proved quite otherwise.

Do you believe, Mr. Speaker, that the widow with all her savings in the bank would agree to the nationalization of the banks, would agree to having her all which she has put in the bank controlled by such a gentleman as the hon. member for Vegreville, or by such an economist as the hon. mover of this resolution (Mr. Irvine), or by other gentlemen of that group? Their minds are full of theories from people who have had no practical experience. As I said last year to the house, everything that is written has their respect; they worship type. Their hero is Gutenberg, the inventor of printing. I am sure that they must meet in the cellar of a printing house. They do not admit anything that is the subject of discussion. They believe only in type and in what is typeset, and they upset us with that, sometimes. They are not serious. They think they are serious but they are not. What they say is incredible, impracticable, unrealizable, and they know it. If they do not know it, I am sorry for them. It is always the same story with them. The state must take control of

all the wealth of Canada because one day they hope to take power and use it for the great benefit of this country. That is their utopia—a utopian thought for them to think the people of this country will put them into power. But, Mr. Speaker, my electors are soundminded; the electors of any constituency are soundminded, and surely these hon. gentlemen to my left were not elected on speeches like the one we have just heard. No elector in this country would take seriously a man who speaks of such an important matter in such a childish way. He proves only one thing, that he does not at all realize the importance of the subject he is discussing, and I can only feel sorry for him.

At six o'clock the house took recess.

After Recess

The house resumed at eight o'clock.

Mr. POULIOT: The resolution before us reads:

> That, in the opinion of this house, all banking facilities, including both the chartered banks and the central bank, should be nationalized as speedily as possible.

I told my hon. friend from Vegreville that he had great respect for books and typewritten matter and for that reason I bring to the house to-night a big book in which I find fifty-five questions which have been put to the Co-operative Commonwealth Federation in this house. These questions were put to them two years ago and have not yet been answered. One quotation from their sublime orations is this:

> Major services and utilities and such productive and distributive enterprises as can be conducted most efficiently when owned in common (should be owned—and controlled) by public corporations responsible to the people's elected representatives.

On this, the following question was asked:

> What would happen: (a) to the amounts of money deposited in chartered banks by private individuals; and (b) to life insurance held by them?

There are two motions relating to the Co-operative Commonwealth Federation and appearing on to-day's order paper—one already mentioned and another one in the name of the hon. member for Winnipeg North Centre (Mr. Woodsworth) in which he summarizes the program of his group. There is also one in the name of the hon. member for Peace River (Mr. Kennedy) with regard to the Peace River railway.

It would be rather difficult for me to read the fifty-five questions already put to the Co-operative Commonwealth Federation group two years ago, but I have read one. There are many others however which I think should be read to the leader of that group when his resolution comes up. But let me tell my hon. friend in the faraway corner how I understand the learning of the banking business from the point of view of members of parliament. The first thing would be to read the old Bank Act and the amending act of last year and to compare the two. This is elementary; it is the basis of learning. They would learn much more about Canadian banking by reading the laws which they have helped to pass than by reading Sir Arthur Salter's great theory of banking, or Schatt's theories, or the theories expounded by all the learned economists who know nothing about the laws which have been enacted in this country by all of us, including the hon. member who has not time to read the legislation which he himself has voted upon. It would also be very useful to my hon. friends—it would complete their education in this matter—to read the annual reports of the banks published in every daily newspaper as well as in the Canada Year Book, which was distributed free to us in years gone by. Another most interesting publication in regard to banking in this country is the Canada Gazette. I would suggest to my hon. friends that they also read the reports published by the Department of Finance showing the amount of money in the banks, in savings accounts, current accounts and so on. If my hon. friends can spare a moment from their scientific experiments in connection with foreign bankers, I commend to them very highly, first, the reading of our own bank acts and a comparison of them, then the annual reports of the banks, which are available to all and are published in the newspapers—if they asked the general managers of the banks for these reports I am sure they would receive them—then the official gazette, which comes from the king's printer. There are also reports each month under the signature of the Minister of Finance and they too are most interesting. If they will look at the last annual report tabled at the opening of this session by the Minister of Finance, they will find it very instructive. They should read all these reports going back to confederation and learn them by heart; I am sure they would enjoy reading them.

These various publications form the basis of banking knowledge, and though one may forget the exact figures one will remember in the main what has been said by these leading bankers. There is one thing which my hon. friends have discussed from a different

angle, and that is reduction in the rate of interest. I did not listen to their speeches this afternoon because I know it is always the same story—they ask for a reduction in the rate of interest. A distinction should be drawn. There was a reduction of one-half of one per cent in the rate of interest the year before last, and last year another one-half of one per cent. Why? Was it at the request of the people at large in this country? Was it at the request of those who deposited money in the banks? It was not the request of the depositors but at the request of the bankers themselves. They took advantage of what had been said by my hon. friends at the extreme left of the house, to come and tell the government that it was most important to have a reduction in the rate of interest on deposits in order to give an opportunity to the banks to make credit more available. If my hon. friends will look into the annual reports of the banks, the official gazette, and the monthly reports of the Minister of Finance, they will see that the amount of savings in the chartered banks at the present time is about the same as it was five years ago, with the exception that there is a little more inflated money in circulation now, at their request, than before. It is nearly the same amount of money, but the interest rate has been cut by one-third. What was the amount that was in the savings accounts in the chartered banks? It was $1,400,000,000. My hon. friends know that very well. One per cent on that amount is $14,000,000; the first cut of one-half of one per cent meant $7,000,000, and another similar cut followed. To cover their losses, the banks took advantage of what was said by my hon. friends to bring pressure to bear on the government—the Minister of Finance will not deny this because it is the fact—to allow them to pay less to the depositors. The result is that that amount, the difference in the rate of interest, has not been given to the customers of the banks, the depositors; it has been kept by the banks themselves to cover their losses. My hon. friends know very well; it is public knowledge, that when a bank lent $12,000,000 on a man's own signature some years ago, that man never paid back to the bank what he got from it. The reduction in the rate of interest has been enjoyed by the bank, and its customers, the depositors, have suffered an equal loss.

Is the government adopting the policy of the Cooperative Commonwealth Federation—no profit? Does the government intend to curtail that very legitimate profit that comes from the rate of interest on deposits made in the chartered banks? When I said that there was only this difference between the Prime Minister and the leader of the Co-operative Commonwealth Federation, that the Prime Minister was clean-shaven and the other was not, I think I was right. I am not saying that as a joke; I say that seriously because they have arrived at the same conclusion. We hear the Prime Minister repeating all the time: Our banks are safe; they are solid; we have nothing to fear about the future of our banks. That is all right. It is why people invested their money in the banks. But if, owing to the reduction in the rate of interest, this brings people no legitimate profit. they will take their money out of the banks and put it into unsound investments to get supposedly easy money, to make easy profits, and then, as has happened in the past, they will lose their money.

A tremendous responsibility rests upon the shoulders of the Minister of Finance. He was in the chamber a minute ago; I am sorry he has left. By virtue of the old Bank Act he had all the power that is now given to the central bank to control banking in general in this country. He could make every bank tremble; he was boss of finance. I remember very well—and every member should remember this—that not long after the minister had been sworn in as minister of finance, someone from this side of the house asked him about a change, saying: What is the reason for that change? The minister's answer was: I have been advised so and so by the officials of my department. I did not say anything at the time but I was very sorry for the hon. gentleman, for whom I have a great regard, that he could not give a better answer to the house. What was his answer? It was: "I do not know; the officers of my department do that." Are we to live any more in such a state of bureaucracy? Is a minister of the crown to be led by third-rate clerks in his department? Every time a question of such importance as that is asked, we are answered with a smile. A smile is a nice thing, but from a minister of the crown it is no answer. I am sorry to say this because I have a high regard and respect for the hon. gentleman, but apparently he has not studied the whole matter so as to be able to give a satisfactory answer to members of parliament.

Let me go further. In a most interesting report published in December, I see that the general manager of one of the banks said: We are generous; we pay much more interest to the depositors than we pay to the shareholders. Is it possible that people can say

such a thing as that? That man should know; everyone knows that the number of shareholders is much less than that of depositors. On the other hand the rate of interest paid to the depositors is only two per cent while the rate paid to shareholders is twelve per cent. I do not put the blame only on the Minister of Finance; I put it on the whole government for letting men of outstanding character in this country make such silly statements in order to deceive the people. This will cause more prejudice against the bankers than even the losses sustained by the banks, because people will say: men like that are not serious.

Is it necessary to nationalize our banks? I do not believe so. I believe in the old order; I believe the act was well enough drafted to permit the Minister of Finance to have absolute control over the banks. He had the power to send in his inspectors to check the banking, to know what was going on, to check the collateral securities. Is it because the minister and the government were afraid to take such a step that they created that new organization which is called the central bank? I have been in the main at one with the policy of my party, but in my humble opinion the fact that the minister did not take the responsibility that he should with regard to banking is the reason why the central bank was necessary; it was necessary because the minister was saying in the house that he was acting in accordance with the views of the officers of his department and also because he did not and the government did not dare to take the responsibility of checking those sharks of finance that we have in Montreal and Toronto and of whom everyone knows. That was the point. Is it fair, because a man has got under false pretences a sum of $12,000,000 from the banks; is it fair because bankers lacked judgment in lending so much money to him, that all the depositors in the banks should have first one-half of one per cent and later one per cent less interest in order to cover the banks' losses and the shareholders receive twelve per cent while the depositors get only two per cent? Is that fair? Is it just? When the Prime Minister comes along afterwards and says: Our institutions are sound. He says, "Ready, aye, ready," when they come to him for such favours. The shareholders are the privileged few; they get the high rate of interest of twelve per cent, and in order that the banks might continue to pay that twelve per cent to the shareholders the government, after hearing what the Cooperative Commonwealth Federation group said in this house and outside, reduced the rate of interest paid to the farmers, paid to widows, paid to men in industry, paid to anyone who has a dollar in the bank. First they reduced it by half of one per cent, and then to two per cent. The indictment should not be against the bankers; it should be against those who sit on the treasury benches and who have not the courage, have not the guts to stop the bankers from exploiting the people and doing things like that. The responsibility lies with them. When the Prime Minister says our system has a sound foundation, his very acts are the dynamite that blows up that foundation of confidence in our institutions. That is why I regret the step which has been taken by this government, which cannot be justified either before this house or before the electorate of this country. It is not for me to give names; everyone knows about it. The shareholders of the banks get a rate of interest of twelve per cent; the depositors get two per cent, and it may go down to one and a half per cent or to nothing —no profit, the Cooperative Commonwealth theory. The Cooperative Commonwealth Federation and the government will kiss each other and not be ashamed of themselves. They will be able to say: We are going to socialize now; the government have adopted socialist views, thus destroying the confidence of our people in our institutions, depriving the people of legitimate income and exposing them to the lure of unsound investments because they cannot get reasonable interest from the banks. This is the wonderful situation we have just a year after the last revision of the Bank Act.

Let me tell my hon. friends in the corner one thing. I am friendly with them; I have some very dear friends among them, and they know that. I have friends everywhere in the house. I see them now smiling.

Mr. DUFF: Beware the Greeks bearing gifts.

Mr. POULIOT: Let me tell them they would be much more interesting and would carry more weight if they based their arguments on facts found in the bluebooks and the official publications. Instead of giving us the views of Sir Arthur Salter or Sir Josiah Stamp or any foreigner, let them give us their own views, as other members do.

I hope, after what has been said from this place in the house, that the government will understand that they are taking the wrong way when they accede to the requests of the bankers for reduction in the rate of interest on deposits. I hope that very soon the former rate of interest of three per cent on deposits in savings accounts will be restored

in order that the people will have more purchasing power. My hon. friends complain that trade is poor because people have no money to buy. The purchasing power of many people is curtailed to a large extent on account of that reduction in the rate of interest on savings deposits.

May I tell my hon. friends one thing more? It is that they should not try to impress us with words. They would impress us more with sound arguments. And let me ask any one of my hon. friends who sits in the government benches to tell the Prime Minister and the Minister of Finance that before they accede to the requests of the bankers for a further reduction in the rate of interest to cover losses sustained by the banks they should listen to the views of the depositors. As the government has been told the truth I hope that in the future such a thing will not happen again.

I am glad to see my hon. friend the Minister of Finance returning to his seat now. I was about to conclude my speech; I have just a word to say to him. He knows I have regard for him, but what I was very sorry for was the reduction in the rate of interest paid by the banks to depositors. The minister knows that the depositors get only two per cent, while the shareholders get twelve per cent. The depositors had their rate of interest cut from three to two per cent, while the shareholders had twelve per cent. I said the bankers went to him in his own office to ask a reduction in the rate of interest, taking advantage of what was said by the Co-operative Commonwealth Federation, and thus the bankers saved $14,000,000 last year. I said that before the minister was here; I repeat it now he is back in his seat. Last year, in reply to a question put by an hon. member on this side as to why such a change was made, I repeat the following answer was given: "It was recommended by the officials of my department." Surely the minister was not serious in that. He should be the boss; he could make the banks tremble. He was the boss under the old legislation. Because a thing is recommended by a third-rate clerk is no reason why it should be acceptable in the national interest. Let him use his own judgment; it is much better than the opinion of his clerks. They may give him information and facts; that is all right, but he should draw his own conclusions, in order to be able to defend his policy in this house. This is most important. I do not say that in an offensive way, but it could not be repeated too often. May I tell him also that I regret very much that we have now a central bank, for this reason; that before, under the old act, the minister had all power; he could send the inspectors of his department to every bank to check what was done. Will it be so easy for him to do that now? The central bank was first asked for by hon. members on the extreme left for the purpose of getting easy credit. But that proved to be impossible. It is now being looked upon not as a source of credit but only as a means of control, because the Minister of Finance did not take advantage of the control he had at his disposal.

Mr. ALFRED SPEAKMAN (Red Deer): Mr. Speaker, it is I think unnecessary, and certainly it is far from my intention, that I should discuss at any length the provisions and meaning of the resolution now before the house. Those provisions and that meaning have been discussed and amplified this afternoon by men more competent than I to discuss such matters. It might not be out of place, however, for me to suggest that if the principle upon which this resolution is based is accepted by the house or by any part of the house, then the resolution itself, in terms, becomes essentially logical, and its logic is inescapable.

The principle, as I see it, is that finance, using the word in its widest possible sense and with all its implications, should be considered rather as a public utility than as a private industry, that it should be operated and controlled by the state for the use and the good of all the people within the state rather than operated and controlled by individuals or groups of individuals for their private profit. If this principle is accepted then I think it must follow as an inescapable conclusion, Mr. Speaker, that in order to put this principle into effect the instruments through which the principle is applied and the medium through which finance is controlled and distributed also should be under the complete ownership and control of the people of this country. I think no one in this house would suggest that in the case of the water supply, say, of some great municipality such as Ottawa, the water itself should be considered a public utility and that it should be the duty of the municipality to furnish that water in ample quantity and of clear and excellent quality to all the citizens, yet that the municipality should permit the machinery and the pipes conveying that water to the citizens to be owned and controlled by private individuals for their private profit. To my mind the cases, while not wholly similar, certainly are somewhat analogous. And that

principle, Mr. Speaker, which for many years has been urged from this corner of the house, which has come to be looked upon with favour by a large percentage of the people of Canada and which has been finally accepted by the Liberal party, I believe is a principle which should be endorsed by this house and, if endorsed, should be carried into effect by the acceptance and carrying out of this resolution.

I did not rise, however, so much to discuss the resolution itself as to make some comment on what has been said by others. In this I am in somewhat the same position as others who have spoken, many of whom have stated that they had not intended to speak but that some remarks made by other members had forced them to their feet. I find myself somewhat in that position; it was largely because of certain remarks made by the hon. member for West Edmonton (Mr. Stewart) that I rose to-night. When the hon. member spoke I noted that he was inclined to be, I shall not say indignant but surprised, grieved and a little disappointed at the vote cast by the majority of the members in this corner of the house last session in respect of the central bank bill. I was not surprised at the hon. gentleman's attitude. In the first place he has not had the advantage we in this corner have had, of sitting as a minority group in this house during nine years of Liberal and four years of Conservative rule; he has not been taught by long and bitter experience the great necessity of toleration and some degree of willingness to accept half a loaf rather than have no bread. During all these years we have learned that such is the case; we would have made no progress and nothing would have been accomplished had we not been ready to go step by step, taking each time the step which might be taken, hoping it would lead to better things, insisting only that the step should be such as would truly lead onward rather than backward. Again I was not surprised because history will show, and experience has taught, that there is no zealot so intolerant and uncompromising in his zeal as the recent convert. We have all met with and experienced this situation, that the man who rushes forward, offering you no alternative save the koran or the sword, that you must believe with him or perish, is the man who only recently has seen the light. Under such circumstances it is usual for those zealous for the truth to insist that no compromise is possible, that no jot or title of the truth, the whole truth, must be pared away, but that we must accept every single beauty in that Mohammedan paradise if we are to go to paradise at all; that no diminution in that harem must be permitted but that the entity, in all its perfection, must be accepted or rejected as the case may be.

That has not been our course, Mr. Speaker; as I have suggested before, had that been our course such progress as has been made in the past would have been impossible. Last year when we reached the time for the final vote to be taken on the third reading of the central bank bill; when all amendments had to be discarded and all alternatives left aside; when we came to the point that we must vote for a central bank, privately owned indeed but largely publicly controlled, or vote against it and in favour of retaining the system exactly as it was before, we believed our course was clear. Generally speaking, we would not take the course which I suggested was consciously or unconsciously the course of those who opposed that legislation, of aligning ourselves consciously or unconsciously with every force and every interest in this country that has continuously opposed the idea of any state control, any centralized authority, or any central bank of any kind. We believe this is a step forward, as we believe that legislation was a step forward. We believed not only that the immediate situation would be improved but that, in that improvement, we would have created the machinery, with centralized control and authority, which at any time at the will of this parliament might be converted into an entirely publicly owned institution. I can only say that the people whom I represent are at least as ardent in their support of public ownership of the central bank as are those supporting any hon. gentleman to my right. In spite of their weakness in sending me here as their member they are not unintelligent. They fully understood both the purpose and the sanity of our vote, and the purpose at least of those who have criticized us so severely.

Having said that, Mr. Speaker, I have fulfilled the purpose for which I rose. I desire first to associate myself with those who consistently, in season and out and before the idea itself became popularized, have held that finance in its essence, in its utilization, is a state function, a public utility, and that in order to utilize it to the full in that capacity the instruments and the conduits by which it is administered and through which it flows also must be public institutions. I wished only to make some comment on the criticism which has been offered, and having

done that I shall leave it to hon. members better qualified than myself to continue the debate.

Mr. WILLIAM IRVINE (Wetaskiwin): Mr. Speaker, the arguments which have been put forward against the resolution have been answered so completely and effectively that I do not desire to take the time of the house in attempting to do what has already been done better than I could do it. I believe the argument of the Minister of Finance (Mr. Rhodes) was answered fully and completely by the hon. member for Winnipeg-North Centre (Mr. Woodsworth), and I think that was the only argument we have had in the matter.

The hon. member for North Waterloo (Mr. Euler) told us that if we had only left the chartered banks out of the matter and if this had been done last year he would have voted for it.

Mr. EULER: I did not say that.

Mr. IRVINE: That was what I understood. Am I right in my first statement, that if the chartered banks had been left out the hon. member would have supported the motion?

Mr. EULER: I am sure the hon. gentleman does not wish to misinterpret what I said. I said that possibly if the government had had last year the change of heart they have had this year, they might have supported it. I did not say I would have supported it.

Mr. IRVINE: That makes it worse. I am glad the hon. member corrected me, because it now appears that there are a number of "mights" about it, and that the remark applied not to him at all, but to the government. I am clearer, however, on what the hon. member for West Edmonton (Mr. Stewart) said. I do not think he left any doubt in the minds of hon. members. In addition to adding two or three other "ifs" he said that if the chartered banks had been left off and if the motion had been made last year he would have voted for it. Of course we have to take the word of an hon. member of this house, but we do not have to believe, do we?—or is that part of our duty, also? I certainly do not believe the Liberal party would have voted for the central bank if it had been socialized or nationalized, or anything else you wished to call it, through and through and through. I do not believe they have any intention to vote for that. I do not believe if they were in power to-morrow they would touch it. The central bank as it now stands, a privately owned institution with a measure of government control, is one of the best central banks of its kind in the world,

but at the same time I am not satisfied with it. I wanted it nationalized last year, and I want it nationalized now. But who prevented us last year from even getting a vote on nationalization? The Liberal party did. Apparently they were afraid it would come to a vote and they would have to say which way they were going.

Mr. VALLANCE: We voted for it in committee.

Mr. IRVINE: There is no publicity in committee.

Mr. VALLANCE: Is that not a record of the house?

Mr. IRVINE: There is no publicity in committee. When the measure reached the house, and when we moved an amendment to the motion for second reading, who was it that rushed around with the rule books to find some method of having it ruled out of order? Who was it that raised the question of order on the floor of the house? It was an hon. member belonging to the left wing of the Liberal party, the right hand man of Gerry McGeer who has stated throughout the country that the Liberal party wanted to socialize the banks. When it came to the third reading of the bill, and the Liberal party had the right of way in moving an amendment, what did they do? That amendment I am sure should be preserved in the archives or sent to the museum so that future generations may study the tactics of politicians in the year of our Lord nineteen hundred and thirty-four.

Mr. GARLAND (Bow River): Send it to Punch.

Mr. IRVINE: I do not think Punch would take it, because it is too tragic. It was an amendment which said, "We want either a government owned and government controlled bank, or a privately owned and privately controlled bank, or a privately owned and government controlled bank." They got the last; it is a privately owned bank with a measure of government control. But even then, although that was in the resolution, they voted against it. I say that the sincerity of the Liberal party in this matter has been well tested. All hon. gentlemen to my right had to do was to move a simple amendment cutting out the chartered banks and leaving the national bank to be socialized. Then they could have voted for it. Why did they not do that, if they were so much interested in having the national bank socialized? I do not believe they were interested in that question at all.

And so, Mr. Speaker, I am very glad to think that this resolution will now be accepted by the house and receive the support of the government.

The house divided on the motion (Mr. Irvine) which was negatived on the following division:

YEAS

Messrs:

Coote
Gardiner
Garland (Bow River)
Heaps
Irvine
Kennedy (Peace River)
Luchkovich
MacInnis
MacMillan (Mackenzie)
Speakman
Spencer
Woodsworth—12.

NAYS

Messrs:

Ahearn
Anderson (Toronto-High Park)
Arsenault
Arthurs
Beaubier
Belec
Beynon
Blair
Bothwell
Bourassa
Bradette
Bury
Campbell
Cantley
Cardin
Chaplin
Cotnam
Davies
Dickie
Dorion
Duff
Dupré
Embury
Ernst
Fafard
Ferland
Fortin
Fraser (Cariboo)
Garland (Carleton)
Gershaw
Girouard
Gobeil
Golding
Gordon
Goulet
Hanbury
Hanson (Skeena)
Hanson (York-Sunbury)
Hay
Hurtubise
Lacroix
Loucks
Macdonald (Kings)
Macdougall
McGillis
McGregor
McLure
McPhee
Maloney
Manion
Motherwell
Mulock
Munn
Myers
Peck
Perley (Qu'Appelle)
Pickel
Plunkett
Pouliot
Price
Quinn
Reid
Rowe
St-Père
Sauvé
Shaver
Short
Simpson (Simcoe North)
Simpson (Algoma West)
Smith (Victoria-Carleton)
Smith (Cumberland)
Stanley
Stewart (Leeds)
Stewart (Lethbridge)
Stirling
Stitt (Nelson)
Swanston
Tétreault
Thompson (Lanark)
Tummon
Turnbull
Veniot
Verville
Weese
Weir (Melfort)
White (London)
White (Mount Royal)
Wright
Young—89.

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

Mr. BUTCHER: I was paired with the hon. member for Portage la Prairie (Mr. Burns). Had I voted I would have voted against the motion.

Mr. MOORE (Chateauguay-Huntingdon): I was paired with the hon. member for Chicoutimi (Mr. Dubuc). Had I voted I would have voted against the motion.

Mr. MacMILLAN: I was paired with the hon. member for Vancouver Centre (Mr. MacKenzie). Had I voted I would have voted against the motion.

Mr. McDADE: I was paired with the hon. member for Laprairie-Napierville (Mr. Dupuis). Had I voted I would have voted against the motion.

Mr. BENNETT: I was paired with the right hon. leader of the opposition (Mr. Mackenzie King). Had I voted I would have voted against the motion.

Mr. GUTHRIE: I was paired with the hon. member for Quebec East (Mr. Lapointe). Had I voted I would have voted against the motion.

Mr. MacDONALD (Cape Breton South): I was paired with the hon. member for Colchester (Mr. Urquhart). Had I voted I would have voted against the motion.

Mr. KENNEDY (Winnipeg South Centre): I was paired with the hon. member for North Battleford (Mr. McIntosh). Had I voted I would have voted against the motion.

Mr. MULLINS: I was paired with the hon. member for St. Boniface (Mr. Howden). Had I voted I would have voted against the motion.

Mr. BARBER: I was paired with the hon. member for Humboldt (Mr. Totzke). Had I voted I would have voted against the motion.

Mr. ROBINSON: I was paired with the hon. member for Portneuf (Mr. Desrochers). Had I voted I would have voted against the motion.

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

Mr. LARUE (Translation): I was paired with the hon. member for Vaudreuil-Soulanges (Mr. Thauvette). Had I voted, I would have voted against the motion.

DEEP SEA FISHERIES

FACILITIES FOR REFRIGERATION AND DISTRIBUTION OF BAIT

Hon. P. J. VENIOT (Gloucester) moved:

Whereas the deep-sea fishermen of the Atlantic coast, and especially those in the Northumberland straits, the baie de Chaleur and gulf of St. Lawrence, are seriously hampered in their work by lack of means of obtaining an adequate and seasonal supply of bait, especially for the cod fishing branch of the industry;

And whereas it is beyond the means of private initiative to provide the necessary facilities for the procuring and distribution of such bait, as well as its conservation;

And whereas the establishment of such facilities at central points would greatly enhance the importance of the fishing industry by an increased catch;

And whereas such increase in the industry would provide work for a very large number of fishermen who are now idle because of the difficulty in securing bait;

Therefore be it resolved, that, in the opinion of this house, it is expedient that the government should take into immediate consideration the establishment at important centres of a number of refrigerator plants of such dimensions as the Department of Fisheries may consider adequate to meet the needs of the industry, and at the same time give consideration to the best method of distribution of the bait required.

He said: Mr. Speaker, we have heard in the last few days a great deal of discussion touching the hardships that the farmers of our country have been called upon to undergo during the last four or five years in this period of world wide depression. May I be permitted, sir, to-night to say to the house that the farmers of Canada are not the only ones who have suffered in their industry during this period of depression. The fishing industry of the Dominion of Canada is a very important one; I think we occupy the third position in the world in regard to the deep sea fisheries.

The fishermen of the province of New Brunswick—I speak for that province because I am better acquainted with its fishing industry and the needs of its fishermen—have suffered from various sources during the last four or five years. True it was not the depression that brought about the losses by storms and other losses that were suffered at sea by our fishermen, but these only added to the hardships that they had to undergo during the period of the depression.

The low prices which our fishermen have been forced to accept for the products of the sea during the last four or five years have been such that unless they are aided in some way to overcome their overhead expenses, thereby lessening the cost of production, they will have to go out of business.

Last week we had a bill before the house providing for a lower rate of interest on loans to farmers, a movement which I am pleased to be able to say I supported. It was pointed out then that a lower rate of interest would aid the farmers by reducing their overhead expenses and thus in some degree compensate them for the low prices they are receiving for their products. It was also pointed out that the products of the farm had been reduced in price to a greater extent than the products of any other industry. I beg to differ from that statement, Mr. Speaker. It is true that the prices of farm products have gone down very considerably, but they have not gone down in comparison with the very low prices which are being received by the fishermen for the products of the sea. To-day the product of the sea is sold at prices that really place the fisherman in this position, that he has to choose between starvation and giving up the industry and seeking employment in some other line. That condition, in my opinion, can be remedied; and since the government is paternal enough to assist other industries I feel it my duty to invoke their aid in behalf of the fishermen.

In this resolution I suggest the establishment of refrigerating plants to provide means whereby the fishermen may obtain bait by a process easier than that through which they now get that necessity. So far as the fishermen in my county are concerned, we have a fleet of between two and three hundred vessels engaged in fishing. They leave their homes on Monday, remaining on the banks of Northumberland straits and other places throughout the week and returning on Saturday or sometimes Sunday morning. They have no time to get bait between their arrival and their departure on the next fishing trip.

In the past, in Gloucester county, we were able to obtain the clam in very large quantities as bait for cod fishing, but to-day the clam is becoming scarce. It costs a great deal more to procure clam bait than it did in the past. One reason is its scarcity, and another is the establishment of clam canning factories in the county. In Gloucester to-day there is the largest clam factory in the world, and the price is such that it no longer pays the fisherman, as it did in the past, to buy

clam for bait. Indeed, he has not the means to do so even if he wanted to buy clams, with prices as they are now.

The question may be interjected—why was this movement not made sooner? Why was it not made seven or eight years ago? Well, up to the time this depression struck the industry, prices for fish, especially for cod, were very reasonable and our fishermen could then afford, at the prices received six, seven or eight years ago, for dry salted and semi-pickled cod, to purchase the bait necessary to carry on their industry. To-day, at the reduced price which they receive for their fish, which is almost $2.50 or $3 per quintal less than it was seven years ago, they cannot afford it. They require some assistance, and I was going to suggest the establishment of small refrigerating plants in several central districts of northern New Brunswick or any other part of the Atlantic coast. I am speaking especially for the fishermen of northern New Brunswick, but in this regard I do not wish to be understood as being sectional in my views.

I suggest the establishment of small refrigerating plants under the absolute control and management of the government. Why do I put emphasis on that point? I do so because refrigerating plants under the cooperative system, owned in part by the government and in part by the fishermen as shareholders in the company, have not been a success. Too many jealousies arose. There was too much favouritism and the consequence was that these plants disappeared. Under previous arrangements, under the cooperative system as between the government and the fishing industry, the government paid so much per cent and the fishermen subscribed so much, and after a period of years the government's share in the undertaking would disappear and the fishermen could buy out the whole business. The result was that certain large fish dealers got into their heads the notion that they would buy out these plants, and in order to do so they bought up shares held by individual fishermen. In consequence, these large shippers of fish became the sole proprietors of the refrigerating plants and the fishermen no longer derived from the undertaking that benefit which it had been intended they should obtain.

Another reason why these plants failed in the past was that we were under the old system of ice freezing. We used ice houses. Ice was cut in the winter and hauled into these buildings and used for freezing during the summer. Improvements have been made since that time, and under the new system now in practice in certain parts of Canada there is no need to resort to the ice freezing process at all.

Now this is not an experiment that I am going to propose; it has been tried and found successful. The government of Quebec, owning and administering their own fisheries, have inaugurated the system of establishing small refrigerating plants. On the bay of Chaleur is to be found, on the north side, the coast line of the province of Quebec, and on the south side we have the coast line of New Brunswick; and here we find on the north side the fishermen being provided with the means of conservation for their bait, while on the south side no means whatever are provided for the fishermen of the counties of Gloucester, Restigouche, Northumberland and Kent.

I have been looking carefully into this matter and have obtained plans and specifications. I have received, not estimates but actual prices of these refrigerators which have already been established, some in Prince Edward Island, I believe, and others in the province of Quebec. I find that a freezer that will freeze one ton of bait per day, and having a storage capacity of from fifteen to twenty tons, will cost, actual cost, $4,600 fully equipped. One that will freeze two tons per day, with storage capacity of from twenty-five to thirty-five tons, will cost $6,000, and one that will freeze three tons, with a storage capacity of from fifty to eighty tons will cost $10,000.

I do not intend to recommend the $10,000 process; I believe that the second process, freezing two tons, with a storage capacity of from twenty-five to thirty-five tons, and at a cost of $6,000, will meet all the requirements, at least so far as I know, in the county I have the honour to represent. And on this point there is something I would direct to the attention of the government. I would ask them to investigate the matter and to have the officers of their department go over the whole situation. Have them visit the various districts or have representatives of the fishing industry from those various districts meet them at some point where they can discuss the matter fully, take into serious consideration and report to the government.

I think I have explained this matter so that it will be readily understood by everyone; it is not necessary for me to take up any further time of the house. I hope the resolution will meet with the approval of all hon. members. I am not asking for the expenditure of public money; I am asking

that the matter be looked into, and if it is found feasible, then the government in its wisdom may decide upon the amount of money it will expend in aiding the fishermen.

Mr. MAURICE BRASSET (Gaspé): I want to add a few words on the subject of the speech just delivered by the hon. member for Gloucester (Mr. Veniot). We have in Quebec a very important fishing industry, notably in the counties of Gaspé, Bonaventure, Matane, and on the north shore of the St. Lawrence. The government of Quebec has established there several refrigerating plants for bait. It is true that the administration of fisheries belongs to the federal government, but I do not see why we should not have cooperation between the two governments. This matter was discussed at length last year and two years ago, and I think the fishermen of Quebec, being taxpayers, should benefit to the same extent as the rest of Canada in respect of the facilities afforded to them. The refrigerating plants built in Quebec are not well equipped to meet the situation. The government should establish in those counties in that province refrigerating plants such as have been asked for by the hon. member for Gloucester, and I should think in most of those places small plants would meet the requirements. An expenditure of from $6,000 to $10,000 would build refrigerating plants that would meet the situation, and the fishermen would benefit a great deal. From July 1 to September 1, I have seen fishermen all along the coast of the lower St. Lawrence idle because they cannot get bait. If refrigerating plants were established so that they could get their bait requirements, those fishermen would not be idle but would work all summer long and would not be on the dole as they are at present.

In the Magdalen islands, which is part of my constituency, the fishing industry is under the control of the federal government. There the government of Quebec, although they have nothing to do with the fisheries of that part, aid the fishermen by giving them boats and money to help the industry. I do not see why the federal government should not do the same thing for the rest of the province of Quebec. Therefore I strongly favour the resolution moved by the hon. member for Gloucester and I hope the government will take steps immediately to investigate the matter and give it proper attention.

Mr. G. M. McDADE (Northumberland): May I be permitted to make a few observations with regard to the resolution of my hon. friend the ex-Postmaster General (Mr. Veniot). We have on the east coast of New Brunswick what is admittedly the best dry salt cod fishing in the maritime provinces. Along with lobster, salmon, smelts and oyster fishing, this industry serves to employ a large proportion of our people, and on the north shore of New Brunswick, particularly what is known as the Miramichi district, in numbers employed fishing is second only to our great basic industry.

With the terms of the resolution as drafted one must be in reasonable accord, but it is to be regretted that those engaged in the fishing industry have not seen fit to take advantage not only of the regulations already existing in respect to the matter of bait but particularly of the legislation adopted at the last session of parliament when the Natural Products Marketing Act was placed upon the statute books. Unfortunately the fishing industry on the east coast of New Brunswick, as is well known to the hon. member for Gloucester, is really as to ownership and marketing facilities concentrated in the hands of a few large firms, who, I may say with great respect and deference, are not doing justice to the fishermen so far as the price for their catch is concerned. Take for instance the price paid for smelts to-day—and in this connection I may say with some considerable satisfaction that the Miramichi is the greatest smelt fishing river in the world. The price to the fishermen is only five cents per pound on the ice, while in the towns, the local domestic market, the price exacted is fifteen cents per pound, and smelts, as is well known, demand a high price on the Boston and New York markets. Therefore I say in all sincerity, and I am sure hon. members will agree with me, that those engaged in this industry should take advantage of the provisions of the marketing act. In this connection a campaign of education is essential. Members from Nova Scotia will appreciate the importance of the work accomplished in 1929 by Doctor Coady in his capacity as organizer in forming various cooperative societies in that province. Unfortunately the work of organization in New Brunswick did not commence until the winter of 1929, and due to transportation facilities being unfavourable at that time Doctor Coady was forced to abandon the work, which has not since been prosecuted.

May I commend to the acting Minister of Fisheries (Mr. Stirling) the advisability of studying, if he will, the question of organizing cooperative societies among the fishermen along the east coast of New Brunswick, and

particularly of the county of Northumberland. I notice in the estimates a vote of $4,050 to the United Maritime Fishermen's Association, subject as to expenditure to provisions to be enacted by the governor in council. May I suggest that a fair and equitable proportion of this vote might be well expended in the promotion of a campaign to organize cooperative societies on the north shore of New Brunswick. In this connection, if his services are easily obtainable, as I believe they will be, I know of no more outstanding and eminent authority than Doctor Coady, who did such excellent work along that line in Nova Scotia in 1929. At the same time I should like to pay tribute to Mr. McInerney, a former north shore boy, who is now acting secretary of the United Maritime Fishermen's Association. I should like also to congratulate the minister upon the good work achieved by the officials of his department, notably Colonel A. L. Barry, who is the supervisor on the north shore. However, I believe that a great deal of the difficulty our fishermen are experiencing could be solved by cooperative marketing. I am confident that if a campaign of education along this line were undertaken, excellent results would follow. It would at the same time furnish the opportunity of educating the people as to the necessity of respecting the existing regulations, because between illegal fishing and the lack of cooperative marketing the great fishing industry is suffering severely.

I do not know that I favour the idea of the department establishing a number of refrigerator plants, I believe that if private enterprise were properly directed—I mean the larger fishing concerns—they would make the necessary expansion. But as to the condition of those engaged in cod fishing, I concur in the remarks of the hon. member for Gloucester. I would respectfully urge upon the department the necessity of instituting some campaign along the lines indicated, and particularly of adding a rider that part of the proposed vote of $4,050 for the United Maritime Fishermen's Association be applied towards the expense of the organization of cooperative societies on the north shore of New Brunswick.

Mr. WILLAM DUFF (Antigonish-Guysborough): As a seconder of this motion perhaps I need not say I am very much in accord with the sentiments thereof. The matter of bait for fishermen is very important. The fisheries of this country depend to a great extent upon whether or not the fishermen are able to obtain bait or not. Perhaps I had better deal with the remarks of the hon. member for Northumberland (Mr. McDade) before I deal with the subject matter of the resolution.

The hon. member stated that the fishermen —I assume he was speaking of those of his own locality—did not take advantage of the marketing facilities provided for in the act passed last year. Then he went on to say that the smelts now being caught in the Miramichi river and elsewhere in New Brunswick and Nova Scotia were sold to private individuals and brought the fishermen only a small price. Let me say to my hon. friend that there is no reason why the fishermen cannot sell their smelts directly themselves either on the Boston or the New York market. There is no need to sell them to Tom, Dick or Harry in Bathurst, Chatham, or anywhere else in New Brunswick. In Nova Scotia, for instance in the counties of Pictou, Lunenburg and other counties, the fishermen sell their fish in Boston and New York—

Mr. McDADE: That is because they are organized.

Mr. DUFF: It is not because they are organized; they do it individually. In regard to taking advantage of the marketing act of last year, some of the fishermen of the maritime provinces have been organized and have been marketing their own product ever since I came to this country forty years ago. They do it voluntarily, and without compulsion. In every part of Nova Scotia and parts of New Brunswick and Prince Edward Island the fishermen have marketed their own goods when they thought it was to their own advantage. I agree with my hon. friend that Doctor Coady, who is one of my constituents and a distinguished member of the university in Antigonish, has done a great work in regard to cooperative marketing. Doctor Coady was appointed by the federal government in 1929 and for several years did great work in organizing the fishermen, especially in the eastern part of Nova Scotia. All credit is due not only to Doctor Coady, but to the clergymen in the counties of Guysborough, Antigonish, Pictou and several counties in Cape Breton for taking such an interest in the fisheries of their district and the people whom they serve by organizing voluntary cooperative associations. I think that very much more would be accomplished by voluntary effort than by forcing them under the marketing act passed here last session to go under a marketing board whether they want to or not.

My hon. friend is not very consistent. In discussing the bait freezer question he said that instead of the government building these bait freezers and providing bait for the fishermen this might well be done by private enterprise. If in the opinion of my hon. friend it is better for private enterprise to build bait freezers and provide bait for the fishermen why cannot the same private enterprise handle the product of the fishermen and put it on the market, whether in fresh or salt condition? So my hon. friend is not very consistent.

However, as I have said this is a very important question. It is one in which I have been interested for the last forty years. I agree with the hon. member for Gloucester that there is great need for some arrangement by which the fishermen of the Atlantic coast, Northumberland straits, baie des Chaleurs and gulf of St. Lawrence should have means of obtaining an adequate and seasonable supply of bait not only for cod fishing but also for their other kinds of fishing. We live in an age in which large amounts of money are being expended by governments, federal and provincial. The hon. member for Gaspé (Mr. Brasset) told us that the Quebec government was spending money to establish bait freezers. This government is also spending large sums in different ways. For instance a day or two ago the Minister of Finance (Mr. Rhodes) moved a resolution to amend the Canadian Farm Loan Act. We were told that a sum of $90,000,000 was to be provided. I have no objection if that sum is necessary in the interests of the farmers, but it seems to me that if this government and the taxpayers of this country are going to raise $90,000,000 to lend to farmers the government should also take into consideration the necessities of the fisheries industry, for which a comparatively small amount of money would do a great deal.

In that regard I am reminded of a statement made by the Prime Minister in the election of 1930. No doubt he was in earnest and sincere; no doubt he had the best interests of the country at heart when he made certain statements at meetings in different parts of this country. He said in the city of Halifax that "he would throw the whole financial power of the state behind the fishing industry." That was a very wide statement for a gentleman to make who desired to be returned to power as prime minister of this country. But what has the Prime Minister done in the last four years, what has his government done in the last four years to "throw any financial power of the state behind that great industry?" That industry has far greater possibilities than any other natural industry in this country; the surface has been hardly scratched, and it does not cost the people of this country a cent. If you take the mines, once the ore is taken out nothing is left but holes in the ground. When you take off the wheat, potatoes or other crops from the farms you have to cultivate and fertilize before you can grow anything more. If you go to the forests and cut down trees it takes twenty or thirty years to produce a new crop. There is no doubt that the fisheries of this country offer greater opportunity to put more men at work than any other industry in Canada, yet this government has done nothing to aid that industry.

I do not blame this government altogether. I have been in this parliament for eighteen years, and during that time the fisheries of Canada have been the rag-tag and bob-tail of practically every department of the government. I do not object to my hon. friend from Yale (Mr. Stirling) being the acting Minister of Fisheries; as my hon. friend from Témiscouata (Mr. Pouliot) would say, he is a personal friend of mine, and in anything I say I hope the minister will not think I am referring to him personally. But even before I came here the fisheries of this country were not getting a square deal, and they have not had a show since then. The fisheries department has been tied up to some other department. First it was tied up to the militia department, from 1917 to 1921 or 1922. Then it was put in with the marine department, until a number of hon. members on both sides of the house, including my hon. friend from Digby-Annapolis (Mr. Short), succeeded in showing the importance of this great industry. After a number of years we got the government to see that the two departments should be separated, which was done in 1930. We know what happened then, and we know what has happened since. When the Prime Minister (Mr. Bennett) was returned to office he appointed a minister of fisheries, but within two years in his wisdom he again amalgamated the departments of marine and fisheries. Today there is no minister of fisheries, and the department has gone back to the Department of National Defence. So I say, Mr. Speaker, that my right hon. friend is not carrying out the pledge he made to the people of Halifax in 1930, when he said "he would throw the whole financial power of the state behind the fisheries industry."

With regard to the matter of bait for the fishermen, away back in 1906, when Mr. Fielding was the minister from Nova Scotia, the Liberal government voted some money for the purpose of establishing what were known

as ice and salt bait freezers. A number of these freezers were erected in Nova Scotia and New Brunswick, the government paying fifty per cent of the cost and the fishermen raising the other fifty per cent through cooperative efforts. I regret to say, however, that after one or two years jealousies and other difficulties arose with the result that these freezers were not a success. Another reason for their failure was the fact that in those days fresh bait was much more plentiful than it is to-day, and as everyone knows who is interested at all in the fishing industry, fishermen will not take frozen or salt bait when they can secure fresh bait. As a result, although the government of the day was sincere in its efforts to supply proper bait facilities, these bait freezers were not a success.

Later the government arranged, through the Department of Agriculture, to grant one-third of the cost of what were known as ammonia freezers. Several of these freezers were established at different points in the maritime provinces, on a large scale. It was found impossible, however, when these freezers were established at central points, for the fishermen in the outports and the villages along the shores to obtain bait from those central freezers. So, while these freezers did a great deal of good and a number of fishermen were able to obtain bait from them, it was found that the scheme did not entirely fill the bill. In 1927, if I remember correctly, after I became the representative of the constituency of Antigonish-Guysborough—the best constituency in Canada, I might say—I realized that the people in my district were far removed from both the bait freezers and the market. I endeavoured to impress upon the government the necessity of arranging not only for a bait supply but also for a method of marketing the fish. Steamers were therefore chartered by the government to convey bait to the fishermen and also to take away their catch to central points.

Since this government came into power a steamer, which was arranged for in 1928, still goes around Chedabucto bay carrying bait for the fishermen of Canso and vicinity, and also for the fishermen of Richmond county, but that is not sufficient. It is true that for a number of years there was a large bait freezer in the town of Canso, but the company ceased operations, with the result that the fishermen of Canso, Whitehead, Port Felix, Fox island, Queensport and other places are not able to obtain bait at certain seasons of the year. Their only chance at present is to secure bait from this small boat which is put on by the government in the summer season, or to secure the bait direct from the traps when the herring strike. Following the closing of this bait freezer the result has been, so far as Canso is concerned, that what was once a great industry is now practically wiped out. Hundreds of men in Canso to-day are either on relief or barely able to make a mean living due to the fact that there are no bait facilities available which would permit them to fish whenever they were willing to go out on the Atlantic ocean to the fishing grounds. So I say this resolution is very important, and a large freezer and cold storage plant should be erected at Canso.

Several years ago the government decided that a large bait freezer and cold storage plant should be erected in Halifax. I believe that was in 1927, and if I remember correctly some $670,000 was granted to a company which built the plant at a cost of some $2,500,000. That plant ran for several years, but to my surprise it was taken over by the harbour commission last year for something like $2,000,000. I do not think that was a good business deal. The harbour commission might have waited and made better terms, because the private corporation was anxious to sell. Instead of paying $2,000,000 for the plant, I believe it could have been bought for a great deal less. Certainly if the government, whether this government or the preceding government, could spend first $670,000 and then an additional $2,000,000 for a cold storage and bait freezing plant in Halifax, they could arrange in view of all the circumstances to spend money to encourage the fisheries and effect improvements along the coasts of Nova Scotia, New Brunswick and Prince Edward Island, so that the fishermen in the different villages may have the facilities to procure bait for the purpose of catching fish in the summer season.

Not only did the government take over the plant at Halifax but I notice in Bill 138 of last session an amount of $286,000 was voted for the construction of bulkhead and pier, 195 feet and 200 feet respectively, to provide site for two fish processing plants adjacent to the cold storage plant. Then there was another $354,000 voted for the construction of buildings for fish processing plants adjacent to the cold storage plant. Instead of spending about $600,000, in the city of Halifax I should think that amount could have been used to better advantage out where the people catch fish, and could have been given to help the people who need bait. In view of the fact that the

amounts I have mentioned are not yet spent, and the further fact that there is no necessity for the expenditure at the moment, may I suggest the $600,000 mentioned in the act might be better transferred to the scheme I have in mind whereby bait freezing plants would be established in different parts of the province of Nova Scotia.

I was very sorry indeed to notice that when the Prime Minister, who made very strong statements in 1930 regarding the fisheries, visited Halifax six weeks ago in company with two of his colleagues, the Minister of Finance (Mr. Rhodes), who is from Nova Scotia, and the Minister of Marine (Mr. Duranleau), they did not say one word about the fishing industry, either in their speeches at the luncheon given them at noon or at the public meeting held in the evening, although all three of them spoke about wheat, farmers and manufacturers. I believe that goes to prove that until such time as this or any other government realizes that the fishing industry of Canada is worth not only preserving but developing, and until such time as practical men, either officials in the department or ministers, are put at the head of this great department, the fishermen and the fishing industry of Canada will not get a square deal.

I say therefore that in my opinion the resolution moved by the hon. member for Gloucester is timely, due to the fact that the government is at this time endeavouring to spend money to help the people of the country out of the difficulties in which they find themselves at the moment. The government is spending a great amount of money on public buildings. In my view it would be much better to spend a million dollars to build bait freezers for fishermen than to spend a million dollars on buildings in different parts of the country. While in good times such buildings may be necessary, it seems to me that careful consideration is not given to what would help the people of the country and help to maintain a great industry. I say therefore that when the government votes $40,000,000, as it did last year, and when we find there is not one dollar for fisheries in that large amount, and when we look at the estimates for fisheries in the present year or any other year—not only under this government but under previous governments—and find that practically nothing is set aside to extend the fisheries or help the fishermen to catch more fish, and when we see no effort being made to encourage the young men growing up in fishing villages to prosecute the industry—when we see all these things we have cause for complaint.

[Mr. Duff.]

I repeat that this government has had the greatest opportunity to do something for the fishermen. Let us see what has been done in other places. I notice that only a few days ago Walter Runciman made the statement that the British government was voting £10,000,000 to help the shipping industry of Great Britain. Due to the fact that under depressed conditions investors in the industry have lost a good deal of money, the British government realized that in order to get the shipping industry on its feet it was necessary to help it by voting a large sum of money. Surely, sir, in this great country, this new country with vast resources, we can afford under present economic conditions to support our industries. If the British government could vote £10,000,000 to help its shipping industry surely this parliament can vote money not only to build bait freezers but to bring the fishing industry back on its feet.

In addition to Great Britain doing something for the fishermen let us see what the little island of Newfoundland is doing. In spite of all the talk we hear about that island, and in spite of the reports about its financial condition, we notice in one of the Newfoundland papers that the government is giving a bounty to people who will build vessels for the fishing industry. I hold in my hand a newspaper giving the names of some seventy-four people who are building vessels in different ports of Newfoundland. The government is giving bounties to these shipbuilders to encourage them to build ships, and according to tonnage the bounties range from $750 per vessel to $6,000.

Some years ago when the fishing industry of Nova Scotia was not as prosperous as it might be, due to foreign markets being taken away because of tariffs and other restrictions, I urged upon the government of that day—and I believe I have urged upon this government—the necessity for giving bounties to fishermen to encourage them to prosecute their industry. I suggested that not only should bounties of so much a quintal be given to fishermen, but that bounties should be given to encourage the people of Nova Scotia and Prince Edward Island to build small boats or fishing vessels to develop the industry.

When I came to this country some forty years ago I remember we had 150 sail out of the town of Lunenburg, the town I have made my home during those forty years. To-day that fleet is reduced to about 30 ships. Surely, sir, that industry is worth saving. Again I say I am not talking politics and am not blaming this government particularly,

but I should like to add that never since I have been in parliament has any government given the care and attention to the fishing industry which should be given to it. I know from my personal and practical experience in that great industry that if the government had come to the assistance of these men when they were in difficulties and downhearted and had said, "If you will keep on in the industry and build new vessels we will give you a bounty of so much a ton for every vessel you build," conditions would have been different. But no person encouraged the fishermen. No encouragement was given to the industry because, as I said a moment ago, the fishing industry is only the tail end of several other departments and nobody seems to care about it. I say that a bounty should be given for the catching of fish, or loans to build boats or vessels, so that the fishermen would have some encouragement to catch fish and bring new money into the country. For a great many years the government of France paid 10 francs, at the time when the franc was worth twenty cents, or $2 a quintal, for every quintal of fish landed from the fishing vessels of that country, and to-day they are paying the equivalent of $2 a quintal. However nothing has been done by this country to encourage our great industry.

I am not objecting to this government giving so much a bushel for the production of wheat; I am not objecting to this government giving another sum of money for some other reason or for the encouragement of some other industry, but I do say the government has been negligent in its duty as far as the fisheries is concerned. However I must add that I do not blame the government as much as I blame the Department of Fisheries. Someone has fallen down on the job. The fishing industry was worth saving, but no one has taken the opportunity which was at his very door to save it and to encourage the fishermen to catch more fish.

In my own county of Guysborough, as I said a few moments ago, the town and fishing port of Canso is the nearest point to the fishing grounds of the Atlantic ocean. When I first went there thirty years ago there would be 140 to 150 boats from 5 to 30 tons sailing out of that port for the fishing grounds. To-day those boats are all worn out; the fishermen cannot afford to build new ones, and the result is that men are lying idle on the beaches because they have no fishing boats or fishing gear with which to prosecute the industry. I say to this government and to this parliament that there you have the greatest chance to do more for a particular industry and a particular people than anywhere else in the province of Nova Scotia. If the government are going to bring in reform policies, let me say, Mr. Speaker, that this is not a question of reform, it is a question of business, where every dollar that the government spends to aid the fishermen in building boats, providing gear and bait and establishing bait freezers, will come back not tenfold but a hundredfold. The government could help the fishermen to build boats and take security on the boats. If the government would do as I have suggested, then in the years to come, in Nova Scotia, Cape Breton, New Brunswick and Prince Edward Island, all along the shores of the Atlantic ocean, you would have a happy and contented people instead of the conditions you have to-day where the boys leave home for the cities to find work; but if these boys had fishing boats and fishing gear they would stay at home and man the boats and bring in from the deep sea valuable cargoes of fish which would bring new money to this country.

Therefore, I say Mr. Speaker, that the government could not do better than accept the resolution moved by my hon. friend from Gloucester and arrange before the session closes to help the fishermen of the maritime provinces, yes and of the Pacific coast, in the ways I have suggested. You would then find more men going into this industry than there are at present, once they had the boats and gear with which to carry on this great industry.

Mr. FINLAY MacDONALD (Cape Breton South): Mr. Speaker, I must heartily agree with a great deal that my hon. friend from Antigonish-Guysborough (Mr. Duff) has said. But I think it is a matter of regret that the hon. gentleman was not quite so vocal when his party was sitting on this side of the Speaker.

Mr. DUFF: Mr. Speaker, I must challenge that remark. I want to say to my hon. friend that in season and out of season I spoke on behalf of the fishermen of the maritime provinces, and no one knows it better than my hon. friend from Cape Breton South (Mr. MacDonald). In this parliament, in the fisheries committee, and in interviews with the minister, I always stood by the fishermen not only of my own district but also of the district represented by my hon. friend.

Mr. MacDONALD (Cape Breton): I quite agree that the hon. gentleman, if I remember rightly, was chairman of the fisheries committee, and I remember too that some of the

recommendations that were sent up from that committee were hopelessly mutilated when they reached this house, but the hon. gentleman never raised his voice in protest against that.

Mr. DUFF: Yes, I did. Did my hon. friend raise his voice?

Mr. MacDONALD (Cape Breton): I must agree Mr. Speaker, with much that the hon. gentleman has said as to the importance of this question. Next to agriculture it is I believe the most important question affecting the interests of the people of the maritime provinces.

With regard to the motion itself the only trouble in my opinion is that it does not go far enough. We have been doing too much fiddling around this question. It has been approached from too many angles, and too many people have been coming along and making suggestions as to what should be done to help the fisheries.

The fisheries that surround the maritime provinces are very extensive. There are over 15,000 square miles of fishing grounds entirely within the control of the dominion government surrounding the maritime provinces. Following the good example of my hon. friend, without saying anything of a political nature, I want to call his attention to the fact that those fisheries fell behind year after year while the late government was in power, and if the hon. member was as vocal and as insistent then as he says he was, his efforts certainly were not rewarded with any degree of success.

Mr. DUFF: I admit that.

Mr. MacDONALD (South Cape Breton): Because I notice that from the year 1923 to 1927 the fisheries of the Nova Scotia coast, fell from 1,370 hundredweight to 734 hundredweight, or about one-half, and the population engaged in the fisheries fell in even greater proportion. I notice that the numbers in Richmond county, for instance, fell from 1,838 in 1922 to 1,374 in 1927.

Mr. DUFF: My hon. friend must be wrong in that figure of 1,370 hundredweight. That is practically nothing.

Mr. MacDONALD (South Cape Breton): That is exactly the figure given here, 1,370 hundredweight.

Mr. DUFF: It must be wrong. That is only 137,000 pounds of fish.

Mr. MacDONALD (South Cape Breton): You will find it on page 11 of the report of the Royal Commission on Fisheries.

[Mr. F. MacDonald.]

There is no doubt, Mr. Speaker, that the condition of the fishermen in the province of Nova Scotia is very deplorable, and something must be done to improve present conditions.

With regard to the efforts that have been made along cooperative lines, while we are in favour of that, it is simply nibbling at the edge of the question, if you are going to improve the fishing industry of the maritimes you have to approach it in a much larger way than has been suggested in this house. There are thousands and thousands of fishermen in the maritime provinces who twenty or twenty-five years ago were in fairly comfortable circumstances but who to-day are destitute. Now, what can the government do? What is to be the particular benefit to be derived from establishing bait stations? Certainly they will be of some help in catching the fish, but what are you going to do with the fish when you do catch them?

Mr. DUFF: Sell them.

Mr. MacDONALD (Cape Breton): Where are you going to find a market for them?

Mr. DUFF: In the United States.

Mr. MacDONALD (Cape Breton): My hon. friend knows too much about the fish business to expect for one moment that the shore fishermen would be able to sell their fresh fish in the United States.

Mr. DUFF: Not their fresh fish in the outlying districts, but salt fish.

Mr. MacDONALD (Cape Breton): We have surrounding the coast of Cape Breton a number of these cooperative societies which are all working and doing well, but they have some difficulty in selling their fresh fish. My hon. friend knows too much about the industry to think that we are going to make a success of it in that way; the future of the industry lies in the disposal of fresh fish.

Mr. DUFF: Not at all, you are wrong.

Mr. MacDONALD (Cape Breton): Possibly my hon. friend may know more about the salt fish industry—

Mr. DUFF: I think I should.

Mr. MacDONALD (Cape Breton): —but I venture to say that the future of the fishing industry will lie along the line of supplying fresh fish to the markets of the world. And how will you do it? The idea put forward by the hon. member for Gloucester simply means the establishment of

bait houses along the shore, and that is of very little value. It is of some value, but the fact is that you have to equip these fishermen along the shore not only with bait but with all the other appliances they need; you have to finance them from the ground up. And, I repeat, how is that to be done? I quite agree with the hon. member for Antigonish-Guysborough. It may be all right to give $90,000,000 to the farmers of the west, but let us give $9,000,000, one-tenth of that sum, to the fishermen of the east, and we shall be quite content.

Mr. DUFF: Hear, hear; that is what I said.

Mr. MacDONALD (Cape Breton): For fifty years we have been playing with the fisheries question—I quite agree with that—and we are in a worse position to-day than we were before. It is about time we shifted our ground and explored the subject from a new angle. Last year and the year before I brought before the house the question of utilizing the amount of the Washington award now lying in the treasury of this dominion and which has been distributed in dribs and drabs through the medium of fishing bounties which are absolutely of no value to the fishing industry. I suggested then, as I suggest now, that this amount should be capitalized and distributed in the form of a fund through a commission for the purpose of financing the fishermen of the maritime provinces and enabling them to get on their feet. My own idea is that the fisheries of the maritimes will have to be placed under a commission. I believe that the solution of the difficulty in connection with the whole question that faces the maritimes lies in that direction. The industry should be placed under the control of a commission who would have the expenditure of this $4,000,000.

I agree with many of the remarks of the hon. member for Antigonish-Guysborough, and the only complaint I have to make is that we are simply beclouding the issue; instead of directing our attention and all our efforts towards putting the business on a good, sound basis, we are fiddling away, spending our efforts in trying to establish bait stations along the coast. Otherwise I am heartily in favour of it.

Mr. A. A. HEAPS (North Winnipeg): This afternoon we had a long discussion on banking and credit and this evening we are having a discussion on the fishing industry. I confess at the outset that my ignorance of banking is profound, and my ignorance of the fishing industry is just as profound. But that is perhaps a good excuse for me to get up and speak after those who have preceded me. I want to say a word or two however in support of the resolution. I congratulate the mover (Mr. Veniot) and the seconder (Mr. Duff), as well as all those in the Liberal party who intend to support the motion; I congratulate them on the right about face since nine o'clock. In this resolution we are told that private initiative has failed. Fancy the former Postmaster General and those associated with him in this resolution speaking of the failure of private initiative, the very thing which they voted to approve of an hour ago. They voted their approval of private initiative, which they declared had been a success, and now they condemn it as a failure.

They want to supply the fishermen with bait. I wonder what kind of bait it is. Will it be Liberal or Conservative bait or C.C.F. bait?

Mr. DUFF: No, suckers.

Mr. HEAPS: It seems to me however that this is a very good resolution; it is one that supports the platform of those with whom I am associated in this house, and because it does so I want to support the hon. member for Gloucester and the hon. member who seconded his motion. I find that they intend to establish government owned warehouses along the coast and I should like to see this result in increased catches for the fishermen. But I also want to see the fishermen find a market for their fish after it has been caught. The most important thing to-day is not to provide machinery for production in this dominion. We have all kinds of facilities at our disposal for producing either fish or other commodities. Our whole problem is one of distribution of the commodities produced, and that is where this resolution fails. However, I am glad to find that the mover and the seconder of the resolution realize at any rate the failure of private initiative on the Atlantic coast, and I hope that in the future, when resolutions embodying the same principles come from this corner, we shall have support where formerly we had opposition.

Mr. H. B. SHORT (Digby-Annapolis): Being deeply interested in everything connected with the welfare of the fishermen, and of the fishing industry, I am thoroughly in accord with many of the remarks made by my hon. friend from Antigonish-Guysborough (Mr. Duff) and I am fully in accord with the resolution which the hon. member for Gloucester (Mr. Veniot) has brought forward. I think the time has arrived when we should

do everything possible to assist the fishing industry, which during the past four years has experienced conditions which it has not known for many years previously. Less has been done for the fishing industry than for any other industry, though it is one of the greatest natural resources we have in the maritimes and capable of the greatest expansion. Off the coast of Nova Scotia we have one of the greatest fisheries in the world, but the trouble is, we need a market. That is what we need more than anything else. There is no question about production; we can produce all the fish the country requires. Unfortunately however we are up against it for a market. I have brought up in this house a number of times, being on the Canadian Fisheries Association, the advisability of a grant through the government for the purpose of advertising our fish. We are not selling the quantity of fish in Canada which we should; the people are not buying the quantity they should buy.

Mr. HEAPS: Why?

Mr. SHORT: Because they are not educated up to it.

Mr. HEAPS: They have not the money.

Mr. SHORT: The people in the interior of our country do not know anything about fish. If we spent a sufficient amount of money in advertising our product and educating the people up to eating fish; if we increased the sale of fish in this country by but ten pounds per capita, it would mean an additional 100,000,000 pounds, which would be of great assistance to our fishermen in the maritime provinces.

The resolution before the house is, I believe, a good one, and to carry out its terms would not cost the country a great deal of money. Every facility should be given to our fishermen to prosecute their industry in the best possible manner. I do not know that this government has spent very much, but previous governments spent quite large amounts of money in erecting throughout the dominion bait freezers which, as was explained by two hon. gentlemen opposite, were not a success. If modern freezers can be built at the prices mentioned by the hon. member for Gloucester, this is something to which the Department of Fisheries could give very serious consideration, and I believe if the matter is taken up in the committee on fisheries, there discussed and recommendations made to the department, every attention will be given to them. That is what I understand my hon. friend is asking for and I believe the government would be well advised to carry out the recommendations in reference to freezers.

But in connection with the fishing industry there are many other matters that are much more important than the freezers. As the hon. member for Antigonish-Guysborough has stated, every assistance has been given to the farming industry but very little has been given to the fishermen. I think some scheme can be worked out whereby loans can be made to the fishermen on easy terms so as to enable them to equip themselves with better facilities for operating the industry. The fishermen today are up against it for new equipment. Their old equipment is worn out; they have no money with which to replace it. Some arrangement can I am sure, be arrived at for making loans to our fishermen in order to enable them to supply themselves with modern equipment. I believe the Department of Fisheries will do everything possible to assist the fishermen if this matter is brought before them in the proper manner, and the proper place to discuss it is before the committee on fisheries. Therefore I suggest that the question be taken up by that committee and a report presented to the house, when we can discuss the problem further.

Mr. J. H. MYERS (Queens): Mr. Speaker,—

An hon. MEMBER: Another fisherman.

Mr. MYERS: Yes, another fisherman. I was just going to remark that some hon. members may think it rather peculiar that a farmer, one who is always proud to declare himself a farmer, should rise on this occasion to say a few words with reference to the resolution now before the house. I wish however to remind hon. members of what to my mind are two very important facts. The first is that on the Atlantic seaboard, Nova Scotia and New Brunswick do not wholly comprise the maritime provinces. I come from Prince Edward Island, the smallest province it is true of the three, but I did not make it; it was made by a higher power than I, and the reason it was made so small is that it was made so good. Another reason I have for raising my voice on behalf of the resolution moved by the hon. member for Gloucester (Mr. Veniot) is the fact that fully twenty-five per cent of the people in the riding of Queens, which I have the honour to represent, earn their living on the sea.

I can assure the house that I am most heartily in accord with the resolution. I was just glancing over it and at first I thought I

would commend it for the modesty of its contents. I notice in the first place it acknowledges, as the hon. member for North Winnipeg (Mr. Heaps) has so very nicely pointed out, that private initiative is not sufficient to cope with the present needs of the fishing industry. I quite readily admit that. As to the last paragraph, I commend the hon. member for Gloucester for his modesty, a quality that he rarely displays in the house. He says he is willing to leave the dimensions and the cost of such plants to the good judgment of the Department of Fisheries, but I feel rather inclined to agree with the hon. member for Cape Breton South (Mr. MacDonald) and the hon. member for Digby-Annapolis (Mr. Short) that this resolution does not go far enough.

I am quite in earnest when I rise to speak on a motion of this kind. This government had gone a long way to aid the farmers of the dominion, both east and west, in carrying on the operations of agriculture. We have been bonused with reference to the price of wheat; we have been assisted on many occasions to secure seed and feed, and the federal government is operating at great expense to this country but, I believe, very wisely, experimental farms in every province. The government is giving a great deal of assistance to the farmers with reference to live stock. On two occasions in my province the federal government sent down inspectors from the department here who tested all our cattle for tuberculosis, and I understand a similar test is to be made during the coming year. I am not saying that the farmers of Canada are receiving any too much attention. This is good. It is true that farming is the basic industry of the dominion, yet at the same time I am quite in earnest when I say that similar or at least suitable assistance should be given to the fishermen on our sea coast who earn their living in such a hazardous manner. With the establishment of centres for the collection and preservation of bait around the shores of the maritime provinces I am in hearty accord. I live near a fishing village and when I go to the village I often say to the boys, "How are the fish this morning? How are you getting along to-day?" Very often the reply is, "There are lots of fish, but we are out of bait." I suppose hon. gentlemen who live inland and do not understand so much about the fishing industry as hon. gentlemen who have preceded me—and let me say they know very much more about it than I do—

Mr. VENIOT: Or the hon. member for North Winnipeg, who knows nothing about it.

Mr. MYERS: Well, he was getting a little dig at you, and I do not blame him for that. I was going on to say that at certain times in the season they have what we call a run, of herring or other fish suitable for bait. If they put the nets out they can catch great quantities in a short time, a few hours, or half a day perhaps. But then the question arises, how are they going to preserve them? After a while the school passes and perhaps for weeks there will not be another run. It seems to me that, as the hon. member for Gloucester and the hon. member for Antigonish-Guysborough (Mr. Duff) have so well pointed out, if some means were adopted whereby this periodical run of bait could be cared for in a proper manner so as to be available for the use of the fishermen at all times, it would help them greatly. I heartily agree with what has been said by the hon. member for Antigonish-Guysborough that a number of smaller plants suitable for this work widely scattered along the shores of the maritime provinces, would serve the fishermen best at much lower cost. Suppose for instance a large bait collecting and storing plant were established at some centre to serve a great mileage of sea coast; you can see the expense the fishermen would be put to to get the bait from that plant to their little ports and stages along the shores where they want to use it. It does not matter whether it be shipped by train or motor truck or whether they have to go for it themselves in their gasoline boats; gasoline costs money, and when they have to go a number of miles for it you can see how it adds to the cost of their operations. So I heartily agree that a number of smaller plants would meet the needs of the fishermen better than a few larger ones.

The marketing of fish is a large question, the most important and most vital question of all. It is the same as with agriculture. You can leave agriculture to us; don't worry about production—we are here, Johnny-on-the-spot all the time, and all you have to do is give us the price and we will look after the production. So with the fishermen around the sea coast; if you can assure them a reasonable price for the product of their toil you can leave the production to them. I agree with everything that has been said, especially by the hon. member for Digby-Annapolis (Mr. Short), with regard to the desirability of the government or the Depart-

ment of Fisheries spending some money to advertise the fish of the maritime provinces, and British Columbia as well, in the central parts of Canada. You know I am very human; I am very kind-hearted, and often when I sit down at home to a magnificent dinner of fresh cod or mackerel—

Mr. VENIOT: That's the stuff!

Mr. MYERS: Doesn't he know it? Fresh codfish and new praties—can you beat it?

Mr. DUFF: Yes, and salt herring and potatoes is a good deal better.

Mr. MYERS: Well, you see the difference between you and me is that your're a herring choker and I am not. But what I want to say is that when I sit down to that fine dinner of new potatoes and fresh codfish right out of the sea, how I wish you people living in central Canada, in Ontario, that grand old province—how I wish you too could enjoy the luxury that we enjoy so plentifully—

Some hon. MEMBERS: Hear, hear.

Mr. MURPHY: Maritime rights.

Mr. MYERS: Well, that I shall not enter into, but—

Mr. DUFF: And maritime brains.

Mr. MYERS: Oh, I was just coming to that —something that is universally so highly valued and that can be obtained only by eating fish out of the Atlantic ocean. So I am in hearty accord with every move that may be made to advertise our fish not only through central Canada but in every part of the world.

One more thing I wish to say. The hon. member for Antigonish-Guysborough made some observations about the selling of fish. The hon. member for Northumberland (Mr. McDade) said something for which the hon. member for Antigonish-Guysborough took him to task. Well, that is part of the game. While I am not a smelt fisherman, yet I live right by a river where smelts are caught in great quantities, and I have often talked with the fishermen. It is true, as the hon. member for Antigonish-Guysborough said, that they sell this fish very readily themselves. I have seen our men pack the finest smelts in nice clean white boxes, iced, everything done as well as it could be done, and then ship them on consignment to the Boston market and often get good returns. But many times they get back scarcely enough to pay the expenses, and I have seen a bill come back for the express and duty and consignment charges. That has happened time and again. It seems to me a great pity that such an industry, carried on by the best and hardiest of our race, could not by some cooperative means, whether under the marketing act or by cooperation among themselves, be organized so that they might secure a price in keeping with such arduous toil. I have seen in my own riding the finest codfish that ever came out of the water selling at the boatside or on the stage for three-quarters of a cent a pound, yet I have seen that same fish selling at the markets right in our own province at eight or nine cents a pound. It does not seem fair that the men who bear the burden and the heat of the day and toil in the chilly night should have to sell their fish at such a starvation price.

Then around the shores of my province we need, besides bait freezers, accommodation for the protection of our boats. The north shore of Prince Edward Island faces right out into the gulf of St. Lawrence, and a north wind there kicks up a terrible sea. In some places we have harbours, in others there are none. In many places the fishermen have to haul their boats out at every tide and launch them again when they get out to sea. It seems to me that the Department of Public Works, if they want to spend a little money, could very well spend it around the shores of Prince Edward Island, and I presume—I am more charitable than my hon. friends on the other side of the house—around the shores of Nova Scotia and New Brunswick as well, to see to it that the fishermen of the maritime provinces are accommodated as well as the finances of the country will permit with breakwaters and wharves at which they can land their boats.

I have just one other thought in mind. We are doing a great deal for the labouring men and for the farmers, but I think I am correct when I say that the unemployment insurance bill does not provide for fishermen. Well, I suppose we must creep before we walk. The unemployment insurance measure is a new departure; I have no doubt it is right and I intend to give it my hearty support, but if it works well for the labouring man who is engaged in industry I can see no reason why, with a little more light on the subject, a little later on the benefits of this bill might not also be extended to those who go down to the sea in ships and labour on the great deep. At the same time let me put in a word for the farm labourer—

Mr. CASGRAIN: Bring in a new bill.

Mr. MYERS: I am a free lance; I speak my mind when occasion arises. I see no reason why a labourer who works on the same farm for many years should not come

under this measure. I have had men working for me for seven and eight years at a stretch, and I cannot see why, in a short time, we could not extend the provisions of this bill to include the farm labourer and the fishermen as well. I hope that with these remarks the gentlemen in the far corner will not consider that I am going over to their ideas.

Mr. STEWART (Edmonton): Be careful.

Mr. MYERS: I suppose one must be, but I feel it my duty to make these remarks.

I was nearly forgetting one other thing; I wish to join with the hon. member for Antigonish-Guysborough, in the wish that assistance might be given our fishermen in regard to their equipment. This equipment and their fishing boats cost money. It is true that in Nova Scotia they use larger boats than we have in Prince Edward Island, yet a fisherman's boat, engine, traps, gear and equipment of all kinds, run into a good deal of money. I have seen men in Prince Edward Island set out in the spring of the year with a splendid equipment of lobster traps, each costing in the neighbourhood of $2.50. I have seen them start out with from one hundred to three hundred traps, and perhaps they would not be in the water more than a day or two before every trap would be ashore, smashed into a hopeless wreck, and the fisherman would have to do all the work again and go to a great deal of additional expense. So I would recommend to the department and to the government that they take steps to bonus our fishermen in the construction and repair of their boats and equipment.

Mr. P. F. CASGRAIN (Charlevoix-Saguenay): Mr. Speaker, I wish to say a few words on this resolution. I am somewhat in the position of the hon. member who just resumed his seat (Mr. Myers); I am neither a farmer nor a fisherman, but I happen to represent an agricultural and fishing district in the county of Charlevoix-Saguenay, on the north shore of the St. Lawrence. Conditions in my district may be a little different from those obtaining on the Atlantic seaboard, but in my trips through that part of the country I have come in contact with the fishermen, who have told me of their difficulties in getting bait and keeping it in good condition.

I am proud to support this resolution; I think it should receive the serious consideration of the government. I was rather surprised to hear the remarks of the hon. member for North Winnipeg (Mr. Heaps) a few moments ago; he did not seem to attach much importance to this resolution and seemed to make light of the hon. member who moved it. I think, however, that may be due to the fact that he lives very far inland and may not be familiar with conditions in the fishing industry.

All the recommendations contained in the latter part of the resolution are being carried out in the good old province of Quebec. The government of that province have come to the assistance of the fishermen in providing refrigerating plants at various places along the north shore of the St. Lawrence. As I was visiting my constituents last summer, at a place called Havre St. Pierre they were erecting a refrigerating plant with the money of the provincial government, with nothing contributed by the federal government. At another place called Thunder River a refrigerating plant was built a few years ago by the provincial government in order to aid the fishermen of that district.

Mr. STIRLING: Does the provincial government pay the full cost?

Mr. CASGRAIN: I believe so, because the plants were erected under the supervision of the government. The fishermen of those districts are not in a position to contribute to the cost of such plants, as they would be required to do if the plants were constructed by this government. I know this question has been discussed here at Ottawa, and we have been told that the government are willing to provide these plants if the fishermen pay their share, but the fishermen are not in a position to do that. I should be rather surprised to learn that the federal government contributed anything toward the improvement of the fishing industry in the province of Quebec.

I was going to say, Mr. Speaker, that the provincial government has given further assistance to the fishermen in the way of bounties to aid in the construction of boats and new equipment, as the last speaker mentioned, and the fishermen in that part of the country have been greatly encouraged by the aid they have received.

I heartily approve of this resolution, and I hope the government will give it very serious consideration. I believe in order that the conditions of the fishermen, more especially in the district from which I come, on the north shore of the St. Lawrence, should be improved, there should be more cooperation between the provincial and federal governments. Three years ago in this house I had occasion to bring in a resolution asking the present government to cooperate with the provincial government. At one time it was suggested that a certain school be established in the Gaspe peninsula in order

to help the fishermen, but up to the present I do not think this proposition has been materially advanced. I know it is a difficult question, but the provincial government have done their share to develop the fishing industry of the province. The government have spent their own money, since they have control of the fisheries, but with more help needed to-day the provincial government are not in a position to contribute what is needed in the circumstances. For all these reasons I wish to support the motion of the hon. member for Gloucester (Mr. Veniot). I congratulate him, and I hope the government will accept the motion and grant the request.

Mr. F. P. QUINN (Halifax): Mr. Speaker, I will not delay the house for very long. I just wish to congratulate the hon. member for Gloucester (Mr. Veniot) for having brought in this resolution. I consider that the time that has been devoted to the discussion of this question has been spent very profitably, since it has brought to the attention of parliament and the country the deplorable condition of the fishermen, particularly in the maritime provinces. I believe, with another hon. member who has spoken, that the resolution does not go quite far enough. I think it should have further consideration and should be thoroughly discussed before the fisheries committee. Following that a report could be presented by that committee to parliament and some action taken by the government looking to the improvement of conditions generally among our fishermen.

Hon. GROTE STIRLING (Acting Minister of Fisheries): Mr. Speaker, the hon. member for Gloucester (Mr. Veniot) brings to the attention of the house his suggestion for the improvement of conditions in the fishing industry on the Atlantic coast. He suggests the establishment at important centres of a number of refrigerator plants adequate to meet the needs of the industry, and at the same time he desires that consideration be given to the best method of distribution of the bait required. In his remarks he has explained that he wishes this to be done entirely at the expense of the taxpayers. He did not make it clear whether that applied to the distribution required as well as to the building of the refrigerator plants but it is obvious that if the refrigerator plants are not dotted along the coast at close intervals the distribution necessary will be much more expensive.

The policy of the government as illustrated by its introduction of the Natural Products Marketing Act—which covers products of the sea as well as of the land—has been to show a readiness to assist the producer when he has shown himself able and willing to assist himself. In the past, governments in Canada have made attempts to handle the bait problem, and difficulty has been experienced because of the fact that bait is not available every month of the year. As a rule there is a scarcity in the fall and a plentiful supply in the spring, and the difficulty is that facilities are not easily provided for caring for the surplus obtainable in the spring so as to make it available during the fall months. The hon. member for Antigonish-Guysborough (Mr. Duff) referred to one series of attempts made nearly forty years ago with respect to the provision of bait freezers using ice and salt. They were to be built on a fifty-fifty basis as between the dominion government and the associations of fishermen. The system fell down for one reason because sometimes there would be years when bait would be plentiful, and on such occasions the fishermen did not see fit to store the ice, so that the bait was not put into storage and when bait became scarce there was no supply in the freezers. That policy was changed some ten years later, and other attempts were made by the dominion government over a course of years to provide freezers to overcome the bait difficulty. In 1929 and 1930 a determined attempt was made to overcome the difficulty, and as a result regulations were formulated which I shall summarize in this way: Where associations consisting of not more than twenty fishermen, who spend at least three months at sea fishing each year with baited hooks, would be formed, they would be assisted in the establishment of bait freezers to the extent of seventy-five per cent of the cost, and would also receive a bonus on the bait frozen for the first five years of $5 per ton, up to twenty tons. The associations were required to give a bond for $1,000 that they would carry on in accordance with the regulations. These provided amongst other things that the association would employ and pay a competent man to operate the plant and to deliver bait to the fishermen as they might call for it.

Only three freezers have been built so far under that arrangement. The first one, in Halifax county, operated only one year; the second was in Inverness county and is still operating, and the third, which was completed only last fall, is in Richmond county. In June, 1930, the late administration saw fit to give considerable assistance by way of a money grant for the building on a very large scale of a bait freezer at Yarmouth.

The plant cost in the neighbourhood of $100,000, the contribution by the federal government being $63,750. There were many who gravely doubted whether a large bait freezer could be made to pay, one of the great difficulties being the consistent and continuous distribution required from that one spot to the many points all along the coast where the bait was needed. The plant went out of operation in two years. An appeal was made to the present government to permit the closing of the plant, and permission was granted on the understanding that it would be reopened on demand.

Mr. DUFF: Would the minister allow me to say that one of the officials of his department recommended the purchasing of the plant in Yarmouth, a plant which never should have been purchased?

Mr. STIRLING: There was a recommendation that if the government asked the company in question to build a plant at Canso within a year, the plant would be built, presumably under the same arrangements. As the original plant was not successful, the one at Canso was not built. Probably that was a mighty good thing.

Hon. members speaking to the resolution have wandered rather far afield by suggesting its expansion to provide fishermen with boats and gear, marketing facilities and all sorts of things that do not come within its terms. I believe the best way to handle the matter would be to refer it to the select standing committee on fisheries, and with that in mind I would move, seconded by the Minister of Public Works (Mr. Stewart):

That at the end of the resolution should be added the words "and that the resolution be referred to the select standing committee on fisheries for consideration and report to the house."

Mr. VENIOT: Mr. Speaker, evidently we cannot finish this debate to-night, and I therefore move the adjournment of the debate.

Motion agreed to and debate adjourned.

On motion of Mr. Guthrie the house adjourned at 10.58 p.m.

Tuesday, February 5, 1935

The house met at three o'clock.

LIBRARY OF PARLIAMENT

Right Hon. R. B. BENNETT (Prime Minister) moved:

That a message be sent to the Senate to acquaint their honours that this house has appointed the honourable the Speaker and Messieurs: Barber, Bertrand, Bourassa, Boyes, Butcher, Campbell, Carmichael, Charters, Chevrier, Cotnam, Dubois, Dupuis, Factor, Ferland, Fontaine, Fortin, Fraser (Cariboo), Gagnon, Girouard, Guthrie, Irvine, Jones, Laflèche, Larue, LaVergne, MacMillan (Saskatoon), Macphail (Miss), Marcil, McGillis, McGregor, McIntosh, McKinnon, Mulock, Peck, Perley (Sir George), Pouliot, Quinn, Rhéaume, Short, Smoke, Thauvette, Thompson (Lanark), White (London), Wright, a committee to assist His Honour the Speaker in the direction of the library of parliament, so far as the interests of the House of Commons are concerned, and to act on behalf of the House of Commons as members of a joint committee of both houses on the library.

Motion agreed to.

PRINTING OF PARLIAMENT

Right Hon. R. B. BENNETT (Prime Minister) moved:

That a message be sent to the Senate to acquaint their honours that this house will unite with them in the formation of a joint committee of both houses on the subject of the printing of parliament, and that the members of the select standing committee on printing, viz., Messieurs: Anderson (Halton), Baribeau, Belec, Boulanger, Bourgeois, Brasset, Charters, Desrochers, Dubois, Embury, Esling, Factor, Fortin, Girouard, Gott, Gray, Hay, Heaps, Howden, Lucas, MacLean, Maloney, Marcil, Matthews, McKenzie (Assiniboia), McLure, Mills, Moore (Châteauguay-Huntingdon), Munn, Murphy, Parent, Peck, Perras, Pickel, Porteous, Price, Quinn, Rhéaume, Rinfret, Roberge, Robinson, Rowe, Ryerson, St-Père, Short, Simpson (Simcoe-North), Spencer, Spotton, Taylor, Tétreault, Verville, Wilson, Woodsworth, Wright, will act as members on the part of this house, on the said joint committee on the printing of parliament.

Motion agreed to.

PARLIAMENTARY RESTAURANT

Right Hon. R. B. BENNETT (Prime Minister) moved:

That a message be sent to the Senate to acquaint their honours that this house has appointed the honourable the Speaker and Messieurs: Ahearn, Barrette, Beaubier, Campbell, Cantley, Carmichael, Garland (Carleton), Hanbury, Howard, Laflèche, Macphail (Miss), McKinnon, Mills, Mullins, Ryerson, Senn, Spence, Sproule, Taylor, Thauvette, a committee to assist His Honour the Speaker in the direction of the restaurant, so far as the interests of the House of Commons are concerned, and to act as members of a joint committee of both houses on the restaurant.

Motion agreed to.

RAILWAY ACT AMENDMENT

PROPOSAL TO BRING COASTAL SHIPPING UNDER JURISDICTION OF RAILWAY COMMISSION

Mr. A. W. NEILL (Comox-Alberni) moved for leave to introduce Bill No. 12, to amend the Railway Act (Traffic by Water).

Some hon. MEMBERS: Explain.

Mr. NEILL: The rules do not at this stage require anything but a short statement of the purport of the bill, which is to bring the coastal shipping trade of Canada as regards routes, schedules and charges under the supervision of the board of railway commissioners in exactly the same way as that body now has control over the same items in connection with railways. In the bill "coastal trade" is defined to exclude operations on the great lakes, and there is also a provision that it shall not apply to vessels under twenty tons burden, in order to prevent small ferries operated by gasoline launches and the like, from being harassed by unnecessary restrictions.

On the second reading of the bill I shall endeavour to explain the reasons why the bill should become law.

Motion agreed to and bill read the first time.

CANADIAN AND BRITISH INSURANCE COMPANIES ACT AMENDMENT

Mr. G. G. COOTE (Macleod) moved for leave to introduce Bill No. 13, to amend the Canadian and British Insurance Companies Act, 1932.

He said: The first four subsections of this proposed bill are the same as the provisions of section 180 of the old insurance act, chapter 101, Revised Statutes of Canada, 1927. These provisions would make it necessary for life insurance companies to maintain a policy in force as long as the cash surrender value of the policy is sufficient to cover the premiums shown to be due. It would also add a new subsection to control the rate of interest charged by insurance companies to policy holders.

Motion agreed to and bill read the first time.

FOREIGN INSURANCE COMPANIES

Mr. G. G. COOTE (Macleod) moved for leave to introduce Bill No. 14, to amend the Foreign Insurance Companies Act, 1932.

He said: The purpose of this bill is exactly as explained for the other bill. There are two insurance companies acts, one referring to foreign insurance companies and the other to Canadian and British companies, so that to effect the desired purpose for all life insurance companies it is necessary to introduce these two bills.

Motion agreed to and bill read the first time.

GENEVA CONVENTIONS

On the order for motions:

Right Hon. R. B. BENNETT (Prime Minister): I stated yesterday that for the convenience of the members of the house the conventions referred to in the five resolutions which I submitted to the house would be printed in the orders of the day. I supplied the material from which it was to be done, but unfortunately by an error much more material was printed than is required. In fact a very large number of recommendations and matters of that sort which are unnecessary were included in the printing. Therefore I should like these resolutions to stand until to-morrow when the orders of the day will be revised and will include the printing of the conventions to which the resolutions refer.

Right Hon. W. L. MACKENZIE KING (Leader of the Opposition): May I ask the Prime Minister if he could indicate to us, possibly not at the moment, but before the day is over, what will remain?

Mr. BENNETT: The ones that will remain are those referred to in the five resolutions that were on the order paper, page 12 yesterday; the rest will be stricken out. Roughly I can say, at the top of page 8 of the orders of the day, article 23, the words at the end will disappear, that is the attestation clause. On page 10 the attestation clause will disappear, because that is not any part of it. On page 19, article 24, the attestation clause will disappear, as well as the paragraph at the foot of page 19. The whole of page 20 goes out, and of pages 21 to 31 and the top of page 32. Pages 35 to 39 disappear, and half way down page 40. The top of page 46, convention concerning unemployment, disappears with the pages from there to the end of page 62.

I am very sorry about this. It was no fault of mine, the documents were handed in with the pages marked, but instead of paying attention to the notations on the top of the page they just went ahead continuously.

Mr. LAPOINTE: Do I understand these will have precedence to-morrow?

Mr. BENNETT: No, I say they will be properly printed in the orders of the day tomorrow I want the house to have opportunity to study these conventions.

PRINCE EDWARD ISLAND FERRY

On the orders of the day:

Mr. W. CHESTER S. McLURE (Queens): Mr. Speaker, I desire to ask the Minister of Railways (Mr. Manion) a question. Owing to heavy ice conditions in Northumberland strait between Tormentine, N.B., and Borden, P.E.I., the car ferry S.S. Charlottetown has been delayed in making her regular trips. My question is, in case the present boat now operating there is delayed so as not to be able to make continuous connection with the railway trains, or in case of accident to the S.S. Charlottetown, is the old car ferry S.S. Prince Edward ready to carry on the passenger and freight traffic at these important points?

Hon. R. J. MANION (Minister of Railways and Canals): Mr. Speaker, the hon. gentleman was good enough to tell me yesterday that he was going to ask this question and I made inquiry and find that the answer is in the affirmative, namely that the Prince Edward, the old ferry, is ready to be put into commission at once, and if any trouble occurs it will be put into commission at once.

AUSTRALIAN TRADE COMMISSIONER

On the orders of the day:

Mr. J. S. WOODSWORTH (Winnipeg North Centre): Mr. Speaker, the Sydney Morning Herald of Sydney, Australia, in its issue of December 29 last, carried a news item that Colonel L. M. Cosgrave, the new trade commissioner from Canada to Australia who is succeeding G. H. Ross, arrived on the S.S. Niagara yesterday, and reports him as saying:

> I am an imperialist, and a Canadian afterward.

Mr. LAPOINTE: Shame!

Mr. WOODSWORTH: I should like to ask if the government agrees that the work of the trade commissioner is to promote an imperialist program, or to secure trade for Canada?

Right Hon. R. B. BENNETT (Prime Minister): Mr. Speaker, inquiries will be made as to the accuracy of the statement.

PRIVILEGE—MR. DUPUIS

On the orders of the day:

Mr. VINCENT DUPUIS (Laprairie-Napierville): Mr. Speaker, on Friday last, February 1, referring to unemployment relief, I said, according to Hansard at page 438:

> I heard the premier of Quebec about a month ago make that kind offer to the Prime Minister of Canada to contribute fifty per cent. I do not know whether I am wrong, but the Prime Minister is here to say whether I am or not.

The right hon. gentleman said:

> That was not the offer.

The premier of Quebec handed a copy of the letter to the Canadian Press—

Mr. SPEAKER: If the hon. gentleman is rising to ask a question I would ask him kindly to do so.

Mr. DUPUIS: I rise to a question of privilege, because the Prime Minister suggested that I made a statement that was not true. I just want to rectify that statement and to ask the right hon. gentleman to rectify himself also, with all due respect to him. As I was about to say, the premier of Quebec gave a copy of his letter to the press, and in the newspaper I hold in my hand there is a copy of his letter sent to the Minister of Labour (Mr. Gordon) under date of January 7. This was the second letter to which no reply was received. I wish to read only one paragraph, which I think will be sufficient to prove the accuracy of my statement.

Right Hon. R. B. BENNETT (Prime Minister): Surely, Mr. Speaker, the hon. member cannot read from a newspaper what purports to be a letter from someone. Surely that is not what is called privilege in this house. In England they do not permit the reading of newspapers at all.

Mr. SPEAKER: If the hon. gentleman wishes to correct something which has been said in parliament, well and good, but he should not read something contained in a newspaper.

Mr. DUPUIS: That is my point, your honour. The right hon. gentleman suggested that I was speaking an untruth. He did not say so in words, but it was the same as saying, "You are a liar."

Some hon. MEMBERS: Order.

Mr. SPEAKER: I am sure the hon. gentleman did not quite mean that. I am sure he knows that in rising to a question of privilege it is not proper to quote from a newspaper. If the hon. gentleman wishes to bring up a question of privilege I would appeal to him to state his case briefly and clearly.

Mr. DUPUIS: I just want to quote from a letter written by the premier of Quebec to the Minister of Labour; if this is not an

accurate copy of the letter the Minister of Labour is here to say so. The paragraph is as follows—

Some hon. MEMBERS: Order.

Mr. SPEAKER: The hon. gentleman should not read from a newspaper in connection with a question of privilege.

Mr. DUPUIS: Then I need not read it at the moment; a little later on I hope to obtain a copy of the original here in the house, but the letter is to the effect that the premier of Quebec offered to pay fifty per cent of the cost of unemployment relief if this government would pay the other fifty per cent, in order to relieve the municipalities. I ask the right hon. gentleman to rectify himself right here.

Mr. BENNETT: I think it is unnecessary to make any observations with regard to any such statement quoted from a newspaper. I am rather surprised that the hon. gentleman should attempt to quote from a newspaper, which is forbidden by the rules of the house.

Mr. DUPUIS: The right hon. gentleman has read from newspapers more than once.

INTERNATIONAL LABOUR OFFICE

On the orders of the day:

Hon. ERNEST LAPOINTE (Quebec-East): May I reiterate my question to the Minister of Labour (Mr. Gordon) as to Canada's seat on the governing body of the international labour bureau, and as to whether the minister has any information to give the house or any correspondence to table in the matter.

Hon. W. A. GORDON (Minister of Labour): I had hoped to have a statement ready to give to the house with respect to this matter. I think I will be able to make that statement to-morrow.

PRECIOUS METALS MARKING ACT

Hon. R. B. HANSON (Minister of Trade and Commerce) moved the third reading of Bill No. 2, to amend the Precious Metals Marking Act, 1928.

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

SUPPLY—UNEMPLOYMENT RELIEF

Hon. E. N. RHODES (Minister of Finance) moved that the house go into committee of supply.

Right Hon. W. L. MACKENZIE KING (Leader of the Opposition): Mr. Speaker, in previous sessions of this parliament very little opportunity has been given at any time for discussion of the conditions of unemployment and distress throughout the country. Almost without exception the estimates of the Department of Labour have been held until the very end of the session or until a period immediately preceding a recess, when an endeavour has been made to hurry them through as rapidly as possible. As hon. gentlemen know the best opportunity that can be given the house to discuss questions of unemployment and relief is when the estimates of the Minister of Labour are before the house. I believe the fact that we have never had a chance really to discuss the government's policies with respect to unemployment except at the last moments of a session, as I have said, is responsible for the circumstance that the government's policies have changed as much as they have, and that there has been very little consistency between what was expressed at one session and what was proposed at the next with respect to meeting conditions of unemployment and the situation as regards relief.

I would hope that at this session an early opportunity would be afforded to discuss present conditions. The government has indicated a program of social and industrial reform, but from what has been presented thus far and from what we have been told about the remainder of the program it would appear that it relates not to present conditions but to the future, that it will not come into operation until after the general election and that even then whether or not it is to come into operation will depend upon circumstances as they may then present themselves. We on this side of the house have endeavoured as far as possible to facilitate the introduction and the immediate consideration and discussion of these measures, because we think they are important, and whatever in them commends itself to us will continue to receive our support. But we feel very strongly that any program of social and industrial reform should not be permitted to sidetrack an immediate consideration of present problems in our country.

I might say that there is a further reason —which is but one of many reasons—why there should be an immediate discussion in this parliament of the measures to be taken to meet the existing situation, and it is that throughout Canada the provincial governments are much perplexed as to what the federal government is going to do in the matter. Some of them are hesitating with respect to measures of relief which they should immediately bring in, waiting to hear what

this government proposes doing. I am speaking now of the program to meet immediate distress. The municipalities, the provinces and the dominion must be fully informed as to what each is doing and proposes to do. Obviously if we wait until Easter to consider what is to be done by the federal government all municipalities and all provinces will be embarrassed with respect to their particular programs.

Already the house has been once moved into committee of supply, but when we were in committee it was not the labour items which were called but an item with respect to the Department of Justice. The estimates for that department may all be important, but their consideration at the moment is not as important as that of the estimates of the Department of Labour, particularly in the light of the situation existing throughout Canada to-day.

The other evening when mentioning the house would be moved into committee of supply later, the Prime Minister indicated two or three departments which would be called. He did not however mention the Department of Labour. Holding as we do the very strong opinion that the questions of unemployment and existing distress are the major problems in Canada to-day, and that during the last five years they have been the all important questions, we feel that the matters pertaining thereto ought to be the subject of discussion and consideration in this parliament at the earliest possible date. I therefore move, and I hope the Prime Minister will accept the amendment:

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."

Right Hon. R. B. BENNETT (Prime Minister): Mr. Speaker, I assume the right hon. gentleman, like every other hon. member in the house, is aware of the fact that if the amendment carries the house will not go into supply at all. This is a vote of want of confidence in the administration. If it were to pass it would merely mean that the committee would be discharged and the Speaker would not leave the chair. Just why the right hon. gentleman should make a proposal of that kind instead of rising in his place and making a suggestion as he might have done when I mentioned the other evening in the house that we would go into supply, I do not know. If he had suggested that he desired to take the labour item I would have been glad to have said we would take labour. If he had suggested anything of the kind I would have been glad to accede to it. If I accept his amendment and the Speaker does not leave the chair, the committee of supply is dissolved. It has to be reconstituted. He knows that as well as any hon. member in the house, and I think perhaps better.

On the next point, the one he raised first, namely that there has not been ample opportunity to proceed upon and consider certain matters, it is only necessary to refer to the journals of the house and the discussions which took place on the unemployment relief and farm relief measures of 1934, 1932 and 1930, and to the very tedious discussions, if I may use the term without offence, which took place in this house, I believe a reference of that kind would rather negative his suggestion of to-day.

So that on neither count it seems to me does the right hon. gentleman succeed, and his one suggestion is rather destroyed by the records themselves. I can only think that in moving his amendment going into supply he had in mind that possibly we might say we would accept it, in which event having done so the committee would be dissolved and we would be out of business. That may have been the object in his mind but I am bound to say we have had a few years of experience and are not caught by that kind of argument or plan. I suggest to the right hon. gentleman that if he withdraws his amendment we will agree that the next item in supply after the ones to-day shall be labour.

Mr. MACKENZIE KING: Mr. Speaker, what I had in mind when I said to the right hon. gentleman that I hoped he would accept my amendment was that he would say exactly what he has said—

Some hon. MEMBERS: Oh, oh.

Mr. MACKENZIE KING: —that he would say that if I would withdraw the amendment he would then have the house moved into committee of supply to consider the Department of Labour estimates. That is the purpose of the amendment.

Some hon. MEMBERS: Oh, oh.

Mr. MACKENZIE KING: I shall read what it says:

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.

The Prime Minister, having said that priority will be given to the Department of Labour estimates, once the house is moved into committee, the purpose of the resolution—

Mr. BENNETT: I did not say that. I said we would have to dispose of the items we have to-day when we get into supply. We will have to dispose of the items we have to-day, but when we move into supply to-morrow or next day or whatever day it is, we will agree that the labour estimates be considered.

Mr. MACKENZIE KING: When the house is moved into committee of supply to-day, this item is to be called?

Mr. BENNETT: On three departments, in order that the house may have something to deal with.

Mr. MACKENZIE KING: No; my amendment will have to stand if that is the case, because if that is so it would simply mean the government will seek to get three or four departments opened up in order that the time of parliament may be taken up in discussing those departments instead of discussing more immediate questions. In that event my amendment will have to stand.

Mr. BENNETT: I am compelled to take the point of order that it is out of order to instruct the committee of supply and that an instruction to a committee of supply cannot be moved. Nothing can be brought on in committee of supply of which notice has not been given in detail in the estimates laid before the house.

Mr. DUPUIS: I would suggest that the Prime Minister put this amendment in his reform—

Some hon. MEMBERS: Order.

Mr. ROWE: You have been out of order already to-day.

Mr. SPEAKER: I am of the opinion on the authority to which reference has been made by the Prime Minister that the amending motion is out of order. I find in May, 13th edition, page 524, the following: "An instruction to the committee of supply cannot be moved." It seems to me that is the effect of the present amendment. I therefore declare the amendment out of order.

[Mr. Mackenzie King.]

Mr. BENNETT: Nevertheless, Mr. Speaker, when we have concluded with getting before the committee the items in question we shall give priority to the labour estimates after we have disposed of the matters now standing. In other words, when the committee is seized of supply with respect to the three departments I mentioned the other day we shall then give priority to labour estimates for detailed discussion.

Motion agreed to and the house went into committee of supply.

SUPPLY

DEPARTMENT OF AGRICULTURE

The house in committee of supply, Mr. Smith (Cumberland) in the chair.

Publications, $32,197.60.

Mr. McPHEE: Would the minister kindly explain the increase in this item?

Mr. SWANSON: I would ask the Minister of Agriculture if the government have any plan under consideration for the rehabilitation of the farmers of the dried-out areas in the west and also for the conservation of water for the ranchers in the same area?

Hon. ROBERT WEIR (Minister of Agriculture): Mr. Chairman, the hon. member gave me notice that he was bringing up this matter, and I have had prepared a short statement which I shall give to the committee.

A great deal of work has been done since 1930 by the federal Department of Agriculture in studying the drought situation in the three prairie provinces. In addition to information obtained from this study, there has also been collected and analyzed, as far as possible, information obtained from similar conditions outside of the dominion. Based on the knowledge gained from the information obtained, the federal Department of Agriculture intends to carry on an extensive program of demonstration and further research, in an endeavour to assist the great body of farmers in this area in not only meeting as far as possible the difficulties caused by the continued drought, but in planning for the future to avoid a recurrence of the conditions in which they found themselves in the last five years, and also to protect themselves if there should be a recurrence of these conditions.

It is generally conceded that this area should be divided into three regions, one suitable for ranching, one suitable almost entirely for the growing of wheat, and the intermediate region lending itself to a mixture of the two.

It is proposed to select a number of fairly large areas in each of these regions for the purpose of demonstration and research. Because these areas are under the ownership of many individuals, it will be necessary to receive the whole-hearted co-operation of the farmers within the areas selected, this co-operation, by agreement, to extend over a period of years.

The basis of this plan will be our knowledge of the soil and for what it is best suited, the availability of grasses best suited where there is a minimum of moisture, cultural practices for the preventing of soil drifting, and the conservation of moisture, the use of dams for conservation of surface moisture, and the use, where suitable, of blocks of trees as an aid to agriculture. The fundamental aim of this policy is to demonstrate as far as is known in what way farmers or ranchers can plan to provide for their subsistence on the land.

This policy will be administered by the federal Department of Agriculture. In addition, there will be set up an advisory committee, consisting of some of our most successful ranchers and farmers in these areas, together with some business men.

For the benefit of those hon. members who have not had the opportunity of obtaining first-hand knowledge of what is at stake in the drought area, the following is a short picture:

The total crop acreages, by provinces, in the Dominion of Canada in 1934, were:

Province	1934 Acreage
Prince Edward Island	473,000
Nova Scotia	554,800
New Brunswick	906,300
Quebec	5,950,300
Ontario	8,999,900
Manitoba	6,000,900
Saskatchewan	19,771,820
Alberta	11,971,500
British Columbia	406,900

The combined acreage of field crops in the four provinces of Prince Edward Island, Nova Scotia, New Brunswick and British Columbia in 1934 was 2,341,000 acres.

In the three prairie provinces the number of acres, in each of the last four years, yielding less than five bushels per acre, were:

	Acres
1931	9,178,000
1932	7,876,000
1933	11,435,000
1934	8,642,000

In Manitoba, the drought area yielding less than five bushels per acre for a period of four years has been in the neighbourhood of 372,000 acres.

In Manitoba in 1934, 196,000 crop acres yielded on an average of one-half a bushel per acre, with a return value of 32 cents an acre. This area for years was one of the most prosperous areas in Manitoba, with some of the finest homes and best types of farmers.

In Saskatchewan, in No. 3 crop district, the average return value per acre, per year, from 1931 to 1934 inclusive, from three and a half million acres, was $1.60 an acre. This small area had, in the past, yielded an average of $30.42 an acre for one year or a total of over $66,000,000, when wheat was at 77 cents a bushel.

In each of the years 1933 and 1934, the acreage in Alberta, yielding less than five bushels per acre, was over 1,300,000 acres; 68·6 per cent of the total crop acreages in 1934 were in the three prairie provinces.

In 1927 the value of wheat alone, harvested in the three prairie provinces, was $445,547,000.

That is a short statement, Mr. Chairman, in reply to the question asked by the hon. member for Maple Creek.

Mr. MOTHERWELL: Mr. Chairman, it is customary when the first item of a minister's estimates is called, for any hon. member to take the opportunity to make a general statement regarding it. There is nothing very controversial about this item that has been called, dealing with publications, but I notice that in nearly every item of these estimates for agriculture there is an increase, which would seem to indicate that the government has reached the very bottom of its reductions in the past and persistent starvation of agriculture. Ever since the estimates of 1931, this government has systematically reduced the vote for agriculture. One would think that a government that claims to be doing such a stupendous amount for agriculture would manifest it in some other way than by starving the vote for agriculture. To such an extent have the estimates been reduced that many of the services have been largely crippled. I know what I am speaking about, and when we come to the items I have in mind I shall give my reasons for so stating. It is I suppose a matter for commendation to know that the worst is over in this respect. Of course, it is only a coincidence that we find that the worst is over and that a return for the better is just before an election. However, it is better late than never. It seems to me extraordinary that the very foundations of

our nation, the bulwark of the country, agriculture, should have been so crippled all these years and that there should then be a great legislative splurge made all along the line and also in the estimates for agriculture. Are we going to be asked to forget the dismal past? It will be recalled that in the last century the forties used to be and are still known as the "hungry forties." Well, in this century and under this government's administration this period will be known as the hungry thirties all over Canada, not only in agriculture but in almost everything else. And my hon. friends have contributed towards that hunger and the decimation of agriculture by persistently reducing the estimates for agriculture year after year, until those reductions aggregate the sum of over $4,000,000. I was very much disappointed in the minister in other years when he tried to defend that policy, first, by declaring that the services were not materially impaired and then, getting bolder, telling us that they were not impaired at all. I took the ground last year I think that if any minister could administer the department with $4,000,000 less than it had previously taken—from $11,000,000 to $7,000,000—he should be kept in perpetuity as Minister of Agriculture; for I have never met anyone who could perform that impossible feat. But he was stringing us; he was telling us bedtime stories when he said that the services had not been impaired. All I have to do is to refer to the health of animals branch as an indication of that impairment. I do not know that the government is open to a great deal of congratulation, because these increases would need to aggregate $4,000,000 for the great occupation of agriculture before my hon. friends could deserve an commendation; they would have to do as well as the government that preceded them did in that respect. I recall this, because I remember that when I had the honour of presiding over this department the estimates were at one time very low—about as low as they are now—and it was after a long struggle and an effort in which my right hon. leader and others assisted me very greatly that I finally arrived at the point where the estimates for agriculture received recognition relatively with those of other departments. I do not know whether my successor and his colleagues will be accorded sufficient public confidence to remain in power as long as we were in order to get the department back to where it was. At all events, he has made a start, and there is nothing controversial about this publication vote. I did not quite understand the dissertation my good friend gave with regard to the drought area, but whatever it was I presume it was good and will seek another time to discuss it. But how it was associated with publications I did not quite gather. I have nothing further to add at this time. I understand that the minister is merely going into committee and going out again, and therefore I leave to a later time any further observations I have to make.

[Mr. Motherwell.]

Mr. VALLANCE: I did not catch the first remarks of the minister when he read the statement that he did, but like the previous speaker (Mr. Motherwell) I notice this item is publications. Why should the minister avail himself of the opportunity to read what he has just read to us, very interesting as it is? Is there in this item anything that would suggest to me as a member of this house that some of this money is to be taken for the purpose of publishing the findings of this research body or commission? Is it going to indicate what the minister outlined in connection with the various areas? I should like the minister, had it been possible, to have made available the information which he has just given us in order that we might have discussed it more intelligently. He gave figures that are very interesting to me. As he well knows, I represent at least a portion of what might be designated a dried out area, and the mass of figures he gave would be exceedingly interesting once we were in a position to digest it so that we could intelligently discuss it. Like the ex-Minister of Agriculture, I have also looked upon the lowering of the estimates for agriculture year by year with a great deal of apprehension. I have before me now the five years' estimates from 1930-31 to 1935-36 inclusive, and I find that every year the estimates for agriculture have been lowered until this year we do notice a few slight increases, though even at that there are a few decreases for 1935-36. We find three decreases and about eight increases. I had hoped that the minister would show greater increases in some of these items than appear in the estimates for this year, because when you go back over past years and realize the service that was rendered by the various branches of the Department of Agriculture at the then cost, no Minister of Agriculture nor any member of this house can convince those of us who are engaged in the industry that it is possible to give to agriculture the service which is being attempted with such low estimates as we find for this year.

I am sorry that in the confusion in the house we were not able to catch the minister's introductory remarks when he first got on his feet. While I believe that what I did hear is very necessary and should be done, I think

at the same time that a survey should be made of western Canada. I do not know a great deal about the east, and possibly there may be sections there that need a similar survey. When you consider that there are 300,000 farmers west of the lakes who have been more or less farming promiscuously, I think you will agree that one thing they need as much as anything else is some direction from the department, some lead to show them just what particular branches of agriculture they should take up. I can hear someone saying, "But you have the experimental farms." Yes, we have, and they have rendered great service to the farming communities in the west. But they are not numerous enough and I do not think that the experimental farms perform some functions which in my opinion they should. We should enlarge the functions of the experimental farms, because we have on many of these farms some of the best technical agriculturists probably on the North American continent, and we could utilize the services of these men to a greater extent than we have done in the past. I should like to see short courses established during the winter at each of the farms. I should like to see it made possible for young men living within any reasonable distance of an experimental farm to attend short courses in agriculture, because it is becoming more difficult as time passes to keep the young people on the farms. Unless therefore the government wakes up to the situation it will soon be impossible to retain on the farms even the sons of the farmers themselves. The whole trend of legislation to-day is to drive the man off the farm. We have had that manifested in some of the reforms suggested by the Prime Minister (Mr. Bennett). In spite of the great unemployment that exists at present in urban centres, it is still very difficult to get men who will be content to go on to the farm and some of the legislation that has been suggested by the Prime Minister in his reform program will I think merely intensify our problem. I hope before we get through with the agriculture estimates we shall have ample opportunity to read the statement of the minister and probably discuss it at some future date.

Mr. WEIR (Melfort): At the outset I would repeat what I stated during each of the past years in discussions on these estimates. I do not think anyone would consider fair the mere statement that the reduction in the estimates is wrong in itself. Each year I have challenged the members of the committee and asked for criticism to show me how any services have suffered by the reduction in these estimates. I repeat what I have said on previous occasions: If we have been able to reduce these estimates and at the same time to give equal if not greater service, I think that is something of which we should be proud. To-day, I made a statement before the committee for the purpose, among other things suggested by the hon. member for South Battleford, of affording hon. members an opportunity to read and to bring up questions, if they so desired, with reference to the information given by me to the committee. I availed myself of the first opportunity to make this statement.

With reference to short courses at experimental farms, I agree wholly with the hon. member for South Battleford. We have instituted such courses during the past two or three years. One that has been particularly successful is that held at Indian Head under the superintendent, Mr. Gibson. At the experimental farm at Fredericton, New Brunswick, there has been in operation for a number of years a more elaborate short course. There has been included in the public works program the erection of a dormitory to make it more convenient for the boys to come from the farm and to study at that experimental farm. The agricultural colleges with their associated courses do a great work, but I believe what the boys on the farm need more than perhaps a study of physics, chemistry and a number of the subjects that are given, is a more practical course from which they will benefit more, and as far as possible the boys attending these schools will do the actual work at the experimental farms because only in that way can they benefit most from the course.

As hon. members know, the purpose of opening these items to-day is simply to get a number of estimates before the committee and I would therefore move—

Mr. STEWART (Edmonton): Before the minister makes his motion, may I ask a question or two with reference to his statement this afternoon?

Mr. WEIR (Melfort): Yes.

Mr. STEWART (Edmonton): The first one is this: Is that statement intended as a definite policy so far as the government is concerned in connection with the treatment of drouth areas?

Mr. WEIR (Melfort): Yes.

Mr. STEWART (Edmonton): Then it is intended that the survey shall be made by officers of the department. That is what I gather from the statement of the minister.

May I suggest to him that in that survey—and this is no reflection on any officer in the department—he associate with the staff of the department some men who have considerable experience in the treatment of similar areas. My difficulty with officialdom is that they have very definite ideas; that in my opinion they do not pay enough attention to experiments of the past, and in this report which will be presented for the consideration of the government I hope at least some of the experiments that have been tried will be given a thorough inspection by the officers who are delegated to do this work. I am speaking in the light of some difficulties I have had in former days.

The CHAIRMAN (Mr. Smith, Cumberland): I understood the minister to move that the committee rise.

Some hon. MEMBERS: No.

Mr. STEWART (Edmonton): I asked for the minister's consent to my putting these questions and making a few remarks dealing only with the statement the minister read to the committee this afternoon. What I suggest first is that he will associate some outside individuals with the officers of his department and that they will make a very careful inspection—I say this in order to clarify what I mean—that in the area known as the Tilley area many years ago we adopted a similar scheme to the one suggested in the statement made by the minister this afternoon. Personally I am not familiar with the result. I take it that the low price of live stock has made it somewhat difficult to make a success of that venture, but I know from personal experience all through that territory there are areas in which farming has been carried on somewhat successfully. Even in Alberta, south of the Cypress hills, there have been very few failures, yet north of that area I am convinced from twenty-five years' experience that a great deal of that territory should revert to ranching. That briefly, is what I mean in making these observations. The situation is very serious and it is one that must be dealt with. Let us have the very best advice possible in order that we may make up our minds what course we shall pursue.

Mr. WEIR (Melfort): I appreciate what the hon. member for West Edmonton has stated. In the statement I gave to the committee we recognize fully what the hon. member has suggested. That is why an advisory committee is to be set up consisting of the largest as well as some of the smaller and most successful practical ranchers. The same thing applies to wheat growing areas. There will be on this advisory committee some farmers in that area who even under these difficult times have been most successful, because no one appreciates more than I do the importance of the information and the knowledge that these men through the years have gained in the practical operation of their ranches or farms. There will also be associated on this advisory committee some of the outstanding business men throughout these districts who have carried the load almost equally with the farmers and ranchers during the past four or five years and who are just as vitally interested in the rehabilitation of or in discovering to what extent we can rehabilitate these districts. The survey itself has been pretty well completed.

The hon. member in his few remarks referred also to the Tilley district in the southern part of Alberta. I believe it was in 1922 that that was abandoned. A good deal of it has since come back to pasture. An interesting thing in this connection is that the sandy lands came back first with a native grass called sand grass, but even the lighter soils have come back with a better covering of grass than the original one. The best illustration of what can be done is in a district about seventy-five miles south of Medicine Hat where an experiment was started in 1927 in an area, now occupied by the Gilchrist Brothers of Manyberries district which had been settled, homesteads proved up and then abandoned because the people could not make a livelihood. It had to a certain extent been regrassed by nature, but a development was started there to demonstrate just what could be done in the conservation of surface moisture and in using domestic grasses to regrass this area. For example, a dam was constructed not where there was any stream but just to catch the runoff of water in the spring. In 1927 when prices were much higher than they are now this cost only around $400. Yet with that expenditure there was created a five-acre pond of water irrigating forty-five acres with a volume of thirty acre feet of water. This shows what can be done at very little cost.

For the reason I stated before I move that the consideration of this item be deferred.

Item stands.

PENSIONS AND NATIONAL HEALTH

Grant to Canadian Legion, B.E.S.L., $9,000.

Mr. CASGRAIN: Would the minister explain this item?

Hon. DONALD M. SUTHERLAND (Minister of Pensions and National Health): This item has been in the estimates for a number of years, formerly it was $10,000, and with the ten per cent cut was reduced to $9,000, at which amount it has remained for three years.

Mr. CASGRAIN: What is it for?

Mr. SUTHERLAND: It is in the way of assistance for investigation and helping soldiers prepare their cases for presentation to the various soldiers' courts. It is given on consideration that they raise in their own way at least an equivalent sum, and before this is put in the estimate it is found by the auditors that they have complied with that condition.

Mr. CASGRAIN: Can the minister tell us who are the various lawyers in different parts of the country, by provinces, who render these services to the soldiers?

Mr. SUTHERLAND: That does not come under this item. This money is given to the legion to administer. The lawyers employed come under the commission and under the pension appeal court.

Mr. GERSHAW: How does this grant and the use made of it dovetail into the ordinary organizations for dealing with soldiers' claims? In other words is this grant used to further the claims of those only who belong to the legion, or has a man who does not belong to the legion the same opportunity of getting advantage therefrom?

Mr. SUTHERLAND: I think it has been the policy of the legion from its inception not to ask those seeking their aid whether they are members of the legion, nor is it a requisite for their assistance that applicants be members. It is open to anyone; they are ready to help any returned soldier to proceed with his case and endeavour to get justice.

Item agreed to.

DEPARTMENT OF PUBLIC WORKS

Public Works—harbours and rivers, under contract, Saint John—channel improvements, $90,000.

Mr. CASGRAIN: Would the minister give some explanation as to the amount and how it is to be appropriated?

Hon. H. A. STEWART (Minister of Public Works): This amount is required to complete the dredging at the entrance to Saint John harbour, which was provided for in a contract awarded in July, 1930. There have been some extensions of the areas and of the time for the completion of the work. It is expected that it will be completed during the year 1935-36.

Mr. STEWART (Edmonton): What is the estimated total cost?

Mr. STEWART (Leeds): It is thought this will complete the work. The appropriations have been made over a number of years and the revised estimated total cost is $1,229,200.

Mr. CASGRAIN: When was the work commenced?

Mr. STEWART (Leeds): The work was authorized by order in council on July 14, 1930, and was commenced shortly after that. In 1930-31, $117,000 odd was the amount expended; in 1931-32, $293,000 odd; in 1932-33, $291,000 odd; and in 1933-34, $308,000.

Mr. CASGRAIN: When was the contract awarded and when was the work started?

Mr. STEWART (Leeds): The order in council was passed July 14, 1930, and the contract awarded immediately after, I believe.

Mr. CASGRAIN: How much was done during the year 1930-31?

Mr. STEWART (Leeds): There were 215,696 cubic yards moved. The inspection and surveys added to that made an expenditure of $117,904.92 in the year 1930-31.

Mr. MULOCK: What was the estimated cost of that work in 1930?

Mr. STEWART (Leeds): The description of the work under contract was to dredge 600,000 cubic yards class B at 59 cents, and 80,000 cubic yards of class A at $8.75 per cubic yard place measure. Then the quantities were revised on a survey, and the revised quantities were; class A, 78,061 cubic yards, and class B, 785,073 cubic yards. This includes extras authorized on March 8, 1933, 40,000 cubic yards and on November 2, 1934, 145,000 cubic yards class B.

Mr. JACOBS: I hope that the government will use its best efforts to see that the work is completed before 1935 expires.

Mr. STEWART (Leeds): Thank you, I think it will.

Mr. ELLIOTT: Is this being done under unit prices?

Mr. STEWART (Leeds): Yes.

Mr. ELLIOTT: Has there been any change in the unit prices since the original contract was let in 1930?

Mr. STEWART (Leeds): No changes in the prices, just the quantities increased.

Mr. ELLIOTT: I understood there was some revision of price.

Mr. STEWART (Leeds): No, not of price, of quantities. A re-survey was made and quantities found greater than those estimated.

Mr. CASGRAIN: Is all the work going to be done by the government and not under the control of the harbour commission?

Mr. STEWART (Leeds): No, this work is in the channel, and the St. John Drydock and Shipbuilding Company have the contract.

Mr. WEIR (Macdonald): Do I understand that this contract has been carried on at so much a yard since 1930?

Mr. STEWART (Leeds): The contract was awarded in 1930 and has been carried on ever since at a fixed rate per cubic yard for the two classes of material.

Mr. WEIR (Macdonald): It seems to me that the cost of doing work of this kind in 1930 must have been materially higher than the cost of the same work to-day, and it does seem to me that some of these contracts properly might be revised instead of being carried on at the higher rates in effect in 1930.

Mr. STEWART (Leeds): The contract fixed the price for the work that was to be done, and you could not change the terms of a contract that was awarded for the whole work.

Mr. MULOCK: Does that apply to extras also?

Mr. STEWART (Leeds): Yes, these contracts provide that any extra work in connection with the undertaking shall be at the same unit prices as are stipulated in the contract.

Mr. McPHEE: Has the minister the substance of the contract that was entered into in 1930?

Mr. STEWART (Leeds): I have not a copy of the contract, but it was for the removal of a number of yards, an estimated quantity, of course, of the two classes of material at fixed prices.

Mr. McPHEE: A moment ago the minister admitted that the number of yards excavated had been increased under this government. I should not think the contract price would apply to the increased quantity.

Mr. STEWART (Leeds): The contract provides that any quantity taken out in that area shall be paid for at the prices stipulated in the contract. There was not a fixed quantity at all; the contract was for the removal of the rock in a certain area, whatever quantity might be found, and the price is provided in the contract.

Mr. McPHEE: That is all the more reason, I think, why we should have the contract before us, because there seems to be some division of opinion between the minister and hon. members on this side as to what actually has transpired in the last four years.

Mr. STEWART (Leeds): I have no objection whatever to producing the contract. As I have pointed out it was entered into before this government assumed office; it was an obligation that we inherited and that we have endeavoured to carry out.

Mr. JACOBS: You have been blasting your way through ever since.

Mr. STEWART (Leeds): Yes, it is blasting.

Mr. MERCIER (St. Henri): Was the contract awarded to just one company?

Mr. STEWART (Leeds): Yes, the St. John Drydock and Shipbuilding Company.

Mr. McPHEE: I might say that many contracts entered into by the former government may have been mutilated by the present government.

Mr. STEWART (Leeds): I would point out that there has been no mutilation in this case. I do not know whether or not there should be, but there has not been any. I have no objection whatever to producing the contract; it is not here, but I am quite prepared to let the item stand until I produce the contract for the information of the committee.

Mr. JACOBS: Might I ask how many people are employed on this work at the present time?

Mr. STEWART (Leeds): I could not tell you. It is dredging under contract, and we have no record of the employees of that contractor.

Mr. MERCIER (St. Henri): How much money has been paid under this contract to date?

Mr. STEWART (Leeds): There had been expended to March 31, 1934, the sum of $1,011,200.14. It is estimated that when all the returns are in for 1934-35 the total amount expended in that year will be $130,000. This year it is estimated that $88,000 will be required; there are some expenses for inspection, and that is why we are providing $100,000 to complete the work.

Mr. CASGRAIN: Was there any period set out in the contract within which the work should be completed?

Mr. STEWART (Leeds): Yes.

Mr. CASGRAIN: What was the period?

Mr. STEWART (Leeds): I think it was three years, but it is a difficult area in which to operate, owing to tides and storms, and the time has been extended.

Mr. MERCIER (St. Henri): Can the minister say what wages are paid the workingmen?

Mr. STEWART (Leeds): I cannot say, but I assume they were fixed at the going prices, at the time the contract was entered into. Every year the rates are fixed by the Department of Labour; I think that was done under the former government also. The schedule of wages is attached to the contract, and the contractor must pay those wages. In view of the request for further information, Mr. Chairman, I move that further consideration of the item stand.

Mr. ELLIOTT: I wonder if, when the minister is getting the information that has been requested, he would also let us have the unit price estimated by the engineers and the unit price at which the contract was let and which has been paid during the time the work has been carried on. I should like to know whether there is not in that contract a clause providing for the revision of the unit prices from time to time.

Mr. STEWART (Leeds): I have no objection to supplying that information.

Item stands.

Progress reported.

CANADIAN FARM LOAN ACT

AMENDMENT TO FACILITATE AND INCREASE THE EXTENSION OF CREDIT TO FARMERS

The house resumed from Friday, February 1, consideration in committee of the following proposed resolution—Mr. Rhodes—Mr. Morand in the chair:

That it is expedient to amend the Canadian Farm Loan Act to facilitate and increase the extension of credit to farmers, to authorize the Minister of Finance to purchase additional bonds issued by the board and guaranteed by the government, and to amend the provisions relating to the constitution of the board, the purchase of capital stock, the rate of interest, the amount of outstanding bonds, and supplementary advances.

Mr. RHODES: Mr. Chairman, when the resolution was under discussion on the motion that the Speaker leave the chair, certain observations were made to which, under the rules of the house, I was precluded from replying. It may be that I may overlook some references which were made; if so I would be quite content to proceed by question and answer at a later stage, but I think one or two observations call for some consideration at this stage. The hon. member for Battle River (Mr. Spencer), for example, in the course of his remarks said:

> We are informed in regard to the unemployment insurance measure the government proposes to carry the cost of administration. If that is to be done in order to help those in the cities who are receiving insurance relief would it be too much to ask the government to carry the cost of administration of this act in order to help out those who earn their livelihood in the country.

May I point out to the hon. member that this question was determined when the original act was passed in 1927. By reference to section 7, subsection (e), the hon. member will find the following:

> The interest rate on loans under this act shall be such a rate in excess of the interest rate yielded at the time of issue by the last series of farm loan bonds issued by the board as shall be sufficient in the judgment of the board to provide for the expenses of operation and for the necessary reserves for losses or, if no such bonds have been issued, such a rate as in the judgment of the board will be yielded by the farm loan bonds when issued, increased by provision for expenses and reserves as aforesaid.

So that it would appear the policy pursued by the board is one which was laid down when the original act was passed. So far as the act as at present constituted is concerned, that disposes of the question raised by the hon. member for Battle River. I say at once quite frankly that whether the government or parliament should decide to adopt a policy of loaning money to the farmers at its actual cost, and that provision might be made that the cost of administration be borne as part of governmental expense is a fair subject for debate. I say that is a subject with respect to which further discussion might be had when the actual sections are being considered in committee of the whole, and after hon. gentlemen have had an opportunity to see the bill. However, I do not wish it to be considered that I desire to shorten the discussion. I believe it was the hon. member for Gloucester (Mr. Veniot) who raised the question as to the cost involved to the farmer in securing a loan under the Farm Loan Act. In the first instance the hon. member complained that the cost of appraisal was too high. That may be so, and it is a fair subject for discussion. I would point out however that the Canadian farm loan board has

charged a uniform rate of $10 for appraisal, and a comparison may be made when I state that the Ontario agricultural development board charges a fee of $12 for the same service, while the United States farm loan board charges $11. It will be seen that even if the amount charged is too high it compares favourably with charges for similar services made by the boards I have mentioned.

Mr. ELLIOTT: Would the Minister of Finance permit a question? Are the appraisal charges the same, no matter what the amount of the loan may be? That is, would the same charge be made on a loan of $6,000 as would be made on one for $20,000?

Mr. RHODES: I believe, it is uniform, and I can understand why it would be so. It is not so much a question of the time involved in having the appraiser make the actual appraisal; the major portion of the cost is in transportation of the appraiser. In many instances he has to move long distances, and under such circumstances my hon. friend will readily see that an appraiser going to a farm in a remote section might have greater expenses than one making an appraisal in an area very close to his home.

Mr. JACOBS: If the loan does not go through, what happens?

Mr. RHODES: The provision is that it has to be paid, just the same. The hon. member for Gloucester complained further about the legal costs involved in perfecting security for the loan, in other words in determining the validity of title. In all the provinces except Quebec the board has arranged a flat tariff of fees, based on the size of the loan granted, such tariff covering all services exclusive of disbursements and additional conveyancing required to perfect the chain of title. The hon. member gave an illustration as to cost of perfecting a title in connection with a comparatively small loan. The sum he mentioned was very large and out of all proportion to the amount of the loan involved. I cannot speak for other provinces, but I can speak for the province of Nova Scotia when I say that the size of the loan has no connection with the cost of searching titles. I know, because at one stage I had anticipated following the legal profession and one of my earliest experiences was to spend ten solid working days in the registry office, at the end of which period I was not so sure that I had secured a title to a piece of land which was not worth as much as the cost involved in securing the information I sought.

Mr. JACOBS: Why did you not use the Torrens system?

[Mr. Rhodes.]

Mr. ELLIOTT: So you decided to go into the ministry.

Mr. RHODES: I suppose the question by the hon. member for Cartier is a fair one. At one stage in the province of Nova Scotia we endeavoured to introduce the Torrens system, and found it a long and painful process However, I do not know that we should pursue that subject any farther, except to point out to the hon member for Gloucester that he cannot jump at conclusions when there are circumstances such as I have indicated.

Mr. GRAY: Is there a different system in each province?

Mr. RHODES: I am speaking only of those fees which, as I understand it, are the same throughout Canada. There is a schedule, which does not include the province of Quebec of which I shall speak in a moment. In the matter of searching, in view of circumstances such as I have indicated, a basis of fees cannot be set up. It can be limited by a per diem rate, or something of that nature, but the amount must be elastic, depending upon the amount of work involved in searching certain records. The tariff in all provinces under the board is substantially less than the general tariff for similar services recognized in those provinces. To the extent to which the board has been able to control and reduce legal costs, that has been done.

In the province of Quebec the costs of perfecting titles and conveyancing is governed by a tariff of fees fixed and approved by the lieutenant governor in council. This type of legal work in that province is entirely in the hands of the notarial profession, and for that reason the board has no control over the tariffs charged. It has been the endeavour of the board, however, to see that the tariff is adhered to and that no overcharges are made. May I point out that by virtue of provincial legislation passed last year which had for its object the lessening of costs in these cases, the provincial government appointed an official in the person of the hon. member for Bellechasse (Mr. Boulanger) whose duty it is to act in assisting borrowers to prepare their titles. The board has been and is at the moment prepared to cooperate with him having in mind the object of reducing to the lowest possible point the costs to the farmers.

Sir EUGENE FISET: May I ask the minister if the provincial machinery will disappear when the new act comes into force?

Mr. RHODES: The provincial board will disappear, yes, and there will be only one board. There will be appointed one chief representative of the board in each province, and if the practice is found desirable we may, under the terms of the bill which will be brought down, have the advice of an advisory board, which will not be a full time or a paid board as was the case previously.

I just wish to say, and I say it in all sincerity, that it was a matter of delight to me to note the tone of the debate which was held upon the motion that the Speaker do leave the chair for the house to go into committee for the purpose of considering this matter. The debate was conducted on a high and non-partisan plane. There were, however, one or two discordant notes which possibly cannot be avoided from time to time, and to one or two of those which slipped into discussion I feel in duty bound to take some slight exception.

One was the statement by an hon. member that this legislation was death-bed legislation. Another hon. member said that at last the government was making an attempt to deal with the forgotten man who, he said, was the farmer.

Well, whether the government has done its full duty by the agricultural interests of this country or not may be a fair subject of debate, but I do submit that those two remarks were not warranted by the facts of the case nor by the record because, as a matter of fact, whether hon. gentlemen agree with the full tenor of the empire agreements or not, I may say that their going into effect had very largely in mind the advantage which would accrue, and I think has accrued, to the agricultural interests of Canada, and that was one of the earlier major measures which were brought down by this administration.

I do submit this, sir, and not by way of inviting controversy, but simply as my humble belief, that no measure at any time brought down in this house has been fraught with so great possibilities for good and of assistance particularly for the farmer as has been the case with the Farmers' Creditors Arrangement Act, and that bill became law, as is well known, last year. In order to assist in the more complete and effective operation of that act there was an amendment passed last year to the Farm Loan Act, which had for its object the making available of a very much larger sum of money by way of loan to the farmer than was the case under the original act.

Mr. GARLAND (Bow River): Can the minister say how much of that was used last year? Was any of that increase drawn upon?

Mr. RHODES: I have not those figures before me but I shall be glad to give them, if not in committee on the resolution, when we are in committee of the whole on the bill, and if I may I shall come back to that point in a moment.

This legislation is no new idea. It is with a view to carrying out still further the intent and purpose of the Farmers' Creditors Arrangement Act, and bringing this into complete harmony with that act, that we have to-day this further and wider and I hope more acceptable amendment, bearing in mind the general tenor of the discussion the other day, which will materially improve the Farm Loan Act.

I might mention also in this connection the fact of our having passed a Marketing Board Act. I merely mention that as indicating that that measure also was designed largely, if not entirely, for the purpose of assisting the agricultural interests of this country.

So I submit, sir, in those circumstances it is not a fair criticism to say that this measure is a death bed measure, nor that we are attempting at this long last, at this late day in the life of this parliament, to deal with the forgotten man who is said to be the farmer.

I may say to my hon. friend from Bow River (Mr. Garland) that I did not anticipate questions in complete detail which I would expect to have put to me in committee of the whole house, but I shall have the information available when we are in committee on the bill.

There are many reasons which I shall not give now but at a later stage why there were comparatively small loans made under the amending legislation of that year. It was due to a multiplicity of reasons, many of which had reference to ancillary action which had to be taken by the several provinces, some of which deferred their action to as late as the month of December, if my memory serves me right, and some have not yet even taken action. Furthermore, having been projected into the winter that is the season above all others when it is most difficult to make farm loans because the difficulties of inspection which must precede the making of a loan are in some cases insuperable, especially in those areas where we have a very heavy fall of snow.

I have no doubt that there will be other questions, but I thought I should touch briefly on these main points of criticism, and quite proper criticism, and as to which I find no fault whatever, which were made when the motion was under discussion that the Speaker do leave the chair.

Mr. STEWART (Edmonton): Has the minister given any consideration to the question of shortening the term of the loan?

Mr. RHODES: I am very glad that my hon. friend has raised that point. He will recall, having been in the house when the original act was passed, that the whole idea of the original Farm Loan Act was to make for long term loans. The short term loan the farmer could more readily secure in the market at that day, but in order to obviate the necessity of his having to refinance himself, at cost to himself, at stated periods, it was his desire to have a long term loan, and the tendency certainly was under the legislation of that day that he should get the money for at least one and a half per cent less than he could in the open market. That was true even with the high rate of 6½ per cent that the farmer had to pay, because the prevailing rate throughout the country at that time was something like 8 per cent. But conditions to-day are strikingly different, and I can see that there may be certain instances where the farmer is engaged in a particular type of farming when he would not wish to obligate himself for a long term loan, and it may be to the advantage of the farmer and for the convenience of the farm loan board to make a short term loan. I do not mean short term in the ordinary accepted sense, but a short term of say five years, as contrasted with a period of twenty-two years.

This question of the hon. member for West Edmonton reminds me of another criticism which was made in the course of the discussion the other day, namely, that there should be some provision to enable the farmer to anticipate his payments. Well, Mr. Chairman, I am afraid that the hon. gentleman who made that inquiry had not made sufficient inquiries outside because I can assure him that the farm loan board like most individuals is only too anxious to receive repayment or prepayment or advance payment or anticipated payments of a loan before the period when they look forward anxiously to find out whether they are going to get any money back at all or not. As a matter of fact, in practice the board has always accepted, and been glad to accept payments in advance either in whole or in part.

[Mr. Rhodes.]

Mr. GARLAND (Bow River): I would suggest to the minister on the question of the attitude of the provincial board that I am afraid he will find that one of the chief reasons why greater advantage was not taken of the provisions of the amendment of last year was because of the peculiar temperament of some of the provincial boards at least. I have no hesitation in informing the minister that they have been utterly ruthless in their method of dealing with those who have come under the operation of the act. They have been ruthless to a degree which perhaps the minister is not aware of. In my province there have been borrowers under this act who have been compelled, as a result of the attitude of the board, to seek at least temporary relief under the debt adjustment provisions of the provincial act in order to escape the predatory character of the provincial board's attitude. Furthermore, a practice had grown up there of compelling those who had borrowed under the board to insure against crop failure. While that may be a very good method of protecting the creditor, it has been mighty tough on the borrower in the last four years. I make particular reference to this fact because in my province all of the other mortgage companies refrain from compelling those who are under them to take out hail insurance if the borrower feels that he cannot afford to pay and is not prepared to do so. But the provincial farm loan board decided to go ahead with their characteristically cruel action. It was therefore a pleasure to me to know that the proposed amendments provided for the abolition of the provincial boards as such, and I can only sincerely hope that when the administrator or the advisory officer under the new provisions is set up in each province, there will be in my province at any rate none of the members of the present advisory board who will even be considered for that position. I have particular reference to Mr. Murray. One might as well know that there is no more unpopular, no more inconsiderate person in that province in matters of this kind.

Mr. JACOBS: Has Mr. Murray given the hon. member permission to refer to him this afternoon?

Mr. GARLAND (Bow River): I come now to the second point. The minister has raised the question of administration costs and I was glad that he suggested that the question was debatable. I think his attitude is one we may be glad of. The question is debatable for many reasons, including those cited the other day when the subject was up. The

farmer to-day in the west, in the aggregate, cannot pay 6 per cent. I doubt whether he can pay anything in the way of interest, in the aggregate. There are conditions which perhaps may make exceptions possible, but 6 per cent is too high still; and if the government really wants to aid agriculture through the expansion of credits, it will undertake to absorb the 2 per cent administration cost and let the farmer have the money at 4 per cent. That will not be all that he will have to pay, because under the three system method of amortization provided for in the long term rural credits legislation, an amount will be extracted each year additional to the 4 per cent to enable the retirement of the loan in whatever time the borrower selects as his method of amortization. It is particularly important that this be done not only in the interests of agriculture, but because the government might very well set an excellent example to all other creditors in the country with respect to this question of interest rates.

I come now to a point which I do not recollect having been raised before. The minister referred to the fact that the amendments that were coming in would provide first of all for the abolition of the 5 per cent cash payment by the provinces on the amount of bonds outstanding in regard to loans made in the province, and that the government would refund that 5 per cent to the governments. Is the government going to refund the 5 per cent to the borrowers or, if it is not going to refund it in cash, will the government take into consideration the advisability of allowing a credit for that amount to go back to the borrower in connection with his loan? I think it is worth considering, and I suggest that the minister take it under advisement.

In regard to the farm creditors arrangement legislation, I am not sure that I share the rather over-eulogistic references made by the minister to the act as it has operated so far. It is true it has been of indirect advantage to the west, which is the only part I can speak of. There is no doubt it has made the creditor a little more amenable to reasonableness; but as to the farmer having been able to take very much advantage of the act itself, I happen to know that he has not done so. And he has not been able to do so for this reason. If a farm debtor goes to his chief creditor, the mortgage company say, and asks them to take into consideration a plan for a compromise of his debt, reduction of the principal or reduction of interest or both, in almost every case the minister will find that the creditor will ask, "What cash settlement are you prepared to make?" If the farmer is able to make a cash settlement there is no question whatever about his being able to secure favourable terms under the act. But the farmers have not been able to get money even under this act. They have not been able to get it from private lending corporations nor from individuals, for the very reasons which the minister himself and, I believe, the ex-Minister of the Interior indicated in discussing the question the other day. I would therefore strongly recommend a change in this act to provide that wherever a compromise between the farmer and his creditors had been arrived at and agreed to by the board of review, certified to by the board of review, the necessary funds to make that compromise effective should be mandatory upon the farm loan board; in other words, that the farmer should be able to go, with the board of review's decision, and borrow the amount to liquidate his present commitments. If the government will make such a change in the act I can assure them that the act will be a thousand times more effective than it is now, and it will have opened up a real avenue by which the farmer could reach, possibly, a satisfactory position and through which there would be a reduction of debt something in line with his ability to pay at the present time. This proposal I have just made to the minister is in my opinion the most important amendment that could be moved, involving as it does the farm credit arrangement legislation, and I most earnestly urge the minister to take such an amendment into consideration.

Mr. RHODES: My hon. friend from Bow River will realize, of course, that I am not in a position to speak offhand and to commit the government in a matter of major policy. I may say to him at once however that his last suggestion does not appeal to me at all favourably. I think it would be a grave mistake for parliament to set up a board for the purpose of administering farm loans and then, by deliberate amendment to the act, parcel out to nine separate bodies throughout the dominion the right to commit Canada to untold hundreds of thousands if not millions of dollars. It will be far better if here and there a case of injustice to an individual farmer may arise rather than that we should not keep control under our own hands of the administration and trusteeship of public money. That is only how I react to the suggestion made by my hon. friend. At the same time it is a suggestion I have never heard from any other quarter at any other time. I do not find fault with it on that account; I

mention that merely as a statement of fact. I will give the matter consideration. I have no hesitation in giving my hon. friend the immediate reaction I have to a suggestion of that character.

My reference to the Farmers' Creditors Arrangement Act a moment ago was not for the purpose of discussing that act but was merely in rebuttal as to a statement made with respect to things which had not been done designed to benefit the farmer, because it will be borne in mind that we have at the present moment standing for second reading a bill to provide certain amendments to the Farmers' Creditors Arrangement Act and when that bill is under discussion, its detailed discussion would more properly come at that time. But lest an improper impression go abroad because of the remarks made by the hon. member for Bow River, let me say this: Notwithstanding the fact that he lives in Alberta and is so to speak on the ground, we have absolute record here as to the manner in which that act is functioning, and I may say to my hon. friend that there have been not dozens but hundreds of settlements in his province under that act, yes, more; there have been under the act many settlements which have not been recorded as such, which have been effected by the farmer debtor and the creditors merely because there was this machinery which could be made available.

Mr. GARLAND (Bow River): I said that.

Mr. RHODES: For that reason the creditor has been far more amenable in effecting settlements and we are gathering together statistics with respect to a large number of settlements of that character. Let me point this out further: while in many cases there will have to be resort to fresh borrowings and new loans and possibly resort to the farm loan board as a result of settlements arising under the Farmers' Creditors Arrangement Act, it by no means follows that that is a major factor in the successful functioning of the Farmers' Creditors Arrangement Act, because there have been prior to this date actually on record in the head office here upwards of 1,000 settlements effected under that act which have been the means of reducing the debt of farmers by tens of thousands of dollars and in not one case has there been resort to fresh borrowing from either the farm loan board or other boards, although in instances we have record of the fact that creditors themselves have not only reduced the debt obligation, the interest charges, but voluntarily given to the debtor an advance in either cash or kind to help him on his way. No act will ever do all that is expected of it, but with the records before us, and having in mind the limited time in which that act has been in force, I believe it has been amazingly successful, far more, I may say, than the most sanguine expectation of its sponsors. Having said this much, let me say that when the bill to amend that act is under consideration I shall expect to go into the discussion of it in detail and give facts and figures of settlements or of applications now before the board and other data in extenso.

My hon. friend raised a question as to the methods adopted by the provincial boards in their ruthless treatment of farmers who sought loans. I do not know that any good purpose can be served by discussing what is past, but I can assure the hon. member for Bow River that there are very few complaints with respect to this act which do not reach my office and I have heard numerous complaints of the character he has indicated. I make reference to that only for the purpose of saying this: We are now starting a new method which will mean centralized administration, one place where responsibility can be fixed, at Ottawa, and so far as I am concerned—and I speak for the government in this respect—while we do not wish to throw away public money and there must be reasonable protection of the public purse, if we err at all we shall endeavour to err upon the side of generous treatment to the farmer rather than in a niggardly safeguarding of the public funds. In other words I believe within bounds, even if we lose a substantial portion of these loans, as may inevitably be the case, by and large we shall be far better off by having contented farmers on the land than we shall be if we husband our money and allow the farmers to starve. So, as far as I am concerned—and I speak for the government in this respect—it will be our endeavour to administer this act in a generous spirit, always bearing in mind the public interest, but with the sole object of endeavouring to assist the farmer to remain on the land.

Mr. GRAY: The government will still expect the farmer to pay back the loan.

Mr. RHODES: Assuredly, and there is no good reason why he should not. I do not think any self-respecting farmer wants charity; all he wants is a reasonable opportunity to make good.

The hon. member for Bow River submitted another question and quite a proper one. He said: If you are going to return to the provincial governments five per cent contribution under the old act, because it will be

recalled that in the new bill we have no five per cent contribution, what about the farmer? Well, it has always been a provision in the original act that the farmer shall have credit for that five per cent on his obligation. The only qualifying feature has been as to the time when he will get his five per cent. Heretofore it has been when the transaction has been closed out. There is a disadvantage there to the farmer inasmuch as he has been paying interest on five per cent of money that he did not secure and it may be the part of wisdom so far as the old contracts are concerned to give him immediate credit. That is a fair subject for discussion and we can deal with it when we are in committee on the bill, but in any event I want to make it clear to the committee that the farmer always secured a credit for that five per cent.

Mr. VALLANCE: When this measure was before the house on a previous occasion I had something to say on it. The suggestion of the hon. member for Bow River, one to which I have given considerable thought, was that the farm loan board, once a farmer had asked for an adjustment, should if at all possible extend the loan in order to enable the farmer to get a better deal in the adjustment of his debt. I immediately proceeded to secure some information regarding my own province to see just to what extent the farmers on the lands of Saskatchewan had mortgages on their holdings. I find this, which I think will prove to my good friend from Bow River the utter impossibility of the federal farm loan board, with $90,000,000 at its disposal, taking care of the suggestion he made. I am going to deal briefly with the facts concerning my province. The statistics are as follows:

Saskatchewan

Number of occupied farms, 136,472.

Farms occupied by owners or part owners, 115,428.

Percentage of farms occupied by owners or part owners, 84·6 per cent.

Average size of farm, 407·95 acres.

Total value of farm lands, $781,124,800.

Amount of mortgage indebtedness, $177,620,800.

That is mortgage indebtedness alone. When the farmer comes for an adjustment that is not all his debt. In many instances you will find that the mortgage on the land of the Saskatchewan farmer is less than fifty per cent of his total indebtedness. So when we come to the suggestion made by the hon. member for Bow River these figures make it quite apparent that it would not be possible for the government with $90,000,000 to accept that responsibility.

The number of farms reported mortgaged in Saskatchewan is 56,587. The percentage of owners and part owners reported mortgaged is 49, and the average mortgage on the average farm of 408 acres is $3,139. So that the province of Saskatchewan is not so badly involved as many people seem to indicate. With the average Saskatchewan farm as 408 acres and the average mortgage as $3,139, the average indebtedness per acre to the mortgage companies is $7.69. With interest at eight per cent the yearly amount due on the average farm on this count would be $250.82. I should like to endorse what has been suggested by the hon. member for Bow River—I suggested it myself the other day—that if the government can see fit to make the interest rate as low as four per cent it would greatly help. The average rate in Saskatchewan to-day is eight per cent, which amounts to $250.82 on the average farm mortgage. If the rate were reduced to four per cent the interest would be $125.41, and that saving would just about meet the taxes on the average Saskatchewan farm. Some communities have a higher rate of taxation than others, but I think on the average the taxes could be paid out of the saving of four per cent.

At present interest works out at an average of 61 cents per acre. No Saskatchewan farm land can pay that in these times. This is one reason, although not the whole reason, why we find the farmers of Saskatchewan getting into such deep water; the interest is eating them up. If the minister could see his way to lower the interest to four per cent it would at once cut the mortgage interest from 61 cents to 30½ cents per acre. By itself, this interest does not look like an overpowering burden, were it not for the necessity of making payments on the principal. With an average crop the farmer should be able to carry that interest. I think the history of Saskatchewan mortgages proves that to be true in normal times. But it must be remembered that in some parts of Saskatchewan we have had total crop failure for five and six years, yet even to-day with all those things that we have had to combat the picture is not too bad. At the same time that 61 cents per acre is a substantial part of the cost of production.

The valuation placed on western farms by the census seems unduly small. The average farm of 408 acres was valued at $5,724. I do not think that there is any mortgage company which would advance $3,139 on a valuation of that amount. I do not know how this

federal farm loan board would act in Saskatchewan. As I stated the other day, we have had a provincial farm loan board, and the federal board has not been operative. I was called out for a few minutes this afternoon, and when I came back I gained the impression from the discussion that the provincial farm loan boards will now be absorbed by the federal board. Am I correct in that?

Mr. RHODES: No, they are abolished.

Mr. VALLANCE: Is it the position that the provincial farm loan boards will no longer carry on business, but the federal board will take all the new business?

Mr. RHODES: All business, new and old.

Mr. VALLANCE: It will take over the existing business of the old provincial farm loan board?

Mr. RHODES: Not the provincial farm loan board, but the federal board which has been established in provinces other than Saskatchewan, Ontario and Prince Edward Island. I made that clear on the first occasion.

Mr. VALLANCE: So now the federal board will be operative in these provinces?

Mr. RHODES: Yes.

Mr. VALLANCE: And it is made possible by concurrent legislation through the provincial legislature?

Mr. RHODES: No concurrent legislation is necessary.

Mr. VALLANCE: The statistics I have placed before the committee, which are given to me as accurate and I suppose can be checked by the statistical bureau, show that if funds are available there can be a great measure of relief given to the farmers of Saskatchewan under the federal farm loan. I shall be quite frank, it has been a great pleasure to me to see this legislation brought in. I am not going to accuse the minister of a death-bed repentance, we are only too glad to see it, and I hope the farmers will not be disappointed when they make application for loans by finding that no funds are available.

Mr. HACKETT: I think there is little criticism arising from foreclosures in the province of Quebec; I have not known of a single case, there may have been some. The difficulty in Quebec is from another source; it is that the board has not made loans, or when it has made loans it has applied a low standard of valuation. It has applied the standard of the private lender. Due to difficulties largely attributable to the loss of the market, prices of farm lands have sunk to the lowest point we have known in generations. It has been very discouraging to the farmer to find that he could get a loan only of an amount which a lending company would advance. If the farm loan board is going to lend money only on a basis acceptable to a private lender then I fear it is not going to achieve very much to assist those who are in need. That seems to me a most important question, and one which will have to be determined before we can expect any substantial relief from this source. This probably is not an opportune time to discuss details. I recall to the minister that in the province of Quebec the law does not permit a lender to take a chattel mortgage. That may be a good thing; it may prevent the farmer from pledging his movables; it may be protection for him, but the fact remains that a farmer in Quebec is denied a certain amount of credit that is available to farmers in other parts of the country. I have read that it is intended to make loans available at a higher percentage of the value of the land in those provinces where movables can be pledged than in those provinces where they cannot be, and there remains a disadvantage under which the necessitous farmer in Quebec must labour.

There have been some annoying features of administration which I hope the minister will seek to remove. For instance there is the interminable delay. An application is made to the board. The farmer has not the facility for writing many letters; possibly he has not the inclination to write, or the training for it; the correspondence drags on until he is sick and weary of it and wishes he never had the misfortune to attempt to milk the farrow cow. Moreover I think there should be some decentralization with regard to inspection. It may be well to have centralization so that there will be uniformity of policy, but I think it unfortunate that there should be only one office in a province, especially when provinces are large and the borrowing areas are far apart. It happens not infrequently that the need is urgent, and the application should be disposed of within a reasonable time; delay is sometimes worse than a prompt refusal. There is also the question of cost. Frequently farmers are told, "You want only $200, $300 or $400. The cost of having the title to your land examined, of getting a mortgage, of having that mortgage registered and of putting up the necessary deposit to have it radiated, is going to bring your rate of interest, regardless of what

the interest itself may be, up to 15 or 20 per cent." Whether or not it is feasible to devise a method of advancing small sums of money for a few months without going through all the formalities and incurring all the expense of hypothecation, is a matter for the government to decide. In Quebec hypothecation is a rite that is enacted with great ceremony, form and expense. The cost of registration in Quebec is very high. These deeds have to be prepared with the utmost care, and no professional man wishes to prepare a deed until he has examined the title to make sure that it is free not only of anterior mortgages or hypothecations but also of privileges, some of which are not registered. I need not worry the house with this series of privileges registered and unregistered, that exist in Quebec; my hon. friends opposite know that interminable litany probably better than I do, but unless these details are considered by people who are familiar with them and who can assist the government in working out this scheme we will have legislation which, so far as Quebec is concerned, will be like the last act, unworkable and incapable of giving relief to those who need it so much.

In Quebec the interest rate was not quite as high as it was elsewhere, because for a time the provincial government contributed one and a half per cent towards the interest exacted by the federal board. Whether or not it will see fit to continue that practice under the new dispensation is a matter for conjecture into which I shall not go. But delay, expense and the impossibility of getting a small loan—because if you take all the expenses into account the rate of interest becomes prohibitive—are three matters which I think should be carefully considered in framing any amendments to this legislation.

Mr. RHODES: If I may I should like to say just a word in reply to the hon. member for Stanstead. I do not desire to call into question any of the representations he has made; I assure him that what he has said will be given most careful thought, not only when the bill is before the house but when the question of administration comes up. But my hon. friend rather left the impression in my mind that these difficulties which he mentions have restricted the amount of lending in the province of Quebec, which would have been enlarged but for the difficulties to which he refers. I should like to point out to the hon. member that as a matter of actual fact, whether we have loaned a large or a small sum in the aggregate, of all the loans made up to the present time in all Canada, under the old act, one-third have been made in the province of Quebec.

Mr. HACKETT: They were not made recently.

Mr. RHODES: I am speaking of the existing loans in all Canada, amounting to some $9,000,000; one-third of those loans have been made in the province of Quebec. I merely wish to cite this one fact, lest the unfortunate impression might be created that our friends in that province have been unjustly dealt with.

Mr. HANBURY: When I saw my hon. friend from Stanstead rise to his feet I had hoped that we would get his views with regard to some of these contemplated actions of the government. I go back to the question of the Canadian National Railways; I well remember the impression made upon me by the hon. member for Stanstead when he pointed out to the members of this house the serious situation that was confronting the people of Canada by virtue of that degree of socialization, and when I saw my hon. friend rise to-day I hoped that he would draw some such inference from the legislation forecast in the resolution now before the committee.

This afternoon the minister was grieved to think that any person would suggest that this was deathbed legislation. To me this has a tinge of that. Perhaps this was not brought to light for the first time in the broadcasts by the Prime Minister; it even may be part of the reform program, as stated by the minister to-day, which was foreshadowed by the Farmers' Creditors Arrangement Act. This government is showing a tendency to go so far in socializing everything in Canada that it is doubtful whether they will listen to any suggestion such as I have in mind, but after all it should not be forgotten that we have in Canada certain vested interests. We have in Canada people and companies who have been established for generations and throughout the length and breadth of the country have the facilities necessary to investigate values of farms for purposes of loaning money. Throughout the past years these companies have not been able to loan money, and I think every hon. member knows the reason they have not been in a position to loan it.

I suggest the primary reason is that the provincial governments have moratorium legislation. Yet this bill does not take into consideration the possibility that that moratorium legislation should be raised in the various provinces.

As a matter of fact to-day the minister has taken considerable credit to the government for its operation of the Farmers' Creditors Arrangement Act. I am here to say frankly that I am not altogether in favour of that act because I believe it is more legislation tending towards socialism and socialization in Canada. I suggest to the minister that we have companies which have operated for years, companies having servants and officers familiar with the loaning of money, and I say there should have been some consideration given, if there has not been, to the use of those services. If the government wishes to give money at a price below that which is economically sound or at a price below that which the individual or the company would loan money, I would be quite prepared for it to subsidize loan companies. I should like to see some of the established interests used. I would like to have the government use those people who have made it their business properly to conduct the business of loaning money. Yet we have under consideration a governmental institution set up to loan money, an institution which will put every mortgage and loan company in Canada out of business, and one which must do so within a very short period.

I shall ask the minister if any consideration has been given to the use of any of the existing agencies or institutions capable of putting money out to the farmers of Canada.

Mr. RHODES: I do not quite follow the question.

Mr. HANBURY: In my few remarks I suggested to the minister that in Canada we had established institutions which have been set up for the purpose of loaning money to farmers. I suggested further that those institutions could have been used for the purpose of carrying out duties such as contained in this legislation. If it is necessary, to give a farmer cheap money it could have been done by way of subsidizing the loan companies. I ask the minister whether any consideration has been given to using any of the established institutions for the purpose of loaning moneys to farmers.

Mr. RHODES: The Farm Loan Act has been in existence since 1927. I am not aware that the proposal of the hon. member has ever been considered; certainly it has not by me. I may go a little farther and say that to the best of my recollection I have never had such a suggestion made to me. I may say to him—and I speak for myself only, and on the spur of the moment, the question having been put to me only a moment ago—that the proposal he makes does not appeal to me. The Farm Loan Act as originally set up is designed to cover an area, not entirely but at least a part of which hitherto had not been covered by the loan companies. Let me say by way of interjection that I do not purpose pursuing this subject to any great length in the present instance, because I believe it should be done when the bill is under consideration, but when the Farm Loan Act was originally introduced it had the effect of making money available to farmers at one and a half per cent less than he could obtain it from the private companies.

There are many government agencies we could utilize. There are very efficient employees connected with the soldiers' settlement board whose services would be available. It does seem to me however that the general principle, namely that the government in dealing with the loaning of money should do so through the medium of machinery which it has set up, should apply. It strikes me that the policy of bonusing private companies which would have to do with administration is unsound. The mere suggestion of it does not appeal to me, and I have no doubt in the world that the hon. member would not be able to convince the loan companies to accept a system of that type, unless it involved a guarantee from the dominion for the security of the loan. Of course to my mind that proposal is unthinkable. However I just describe to the hon. member the reaction I have experienced at the moment, and I shall be happy to give careful thought to the proposal at a later stage. At present however it does not appeal to me.

Mr. HANBURY: I suggest seriously to the minister that in connection with this legislation the government should consider the moratorium legislation in effect throughout the various provinces.

Mr. RHODES: With respect to that phase of the matter, surely the hon. member does not suggest that this parliament can pass overriding legislation which will have the effect of repealing provincial statutes which have been passed within the orbit of the jurisdiction of a provincial legislature? If that is not what the hon. member means I am afraid I do not understand the nature of his suggestion.

Mr. HANBURY: I appreciate the point the minister has made, but I suggest to him that

this parliament can pass legislation forbidding the loaning of money in the way which has been set forth in the provinces where moratorium legislation exists.

Mr. RHODES: We do not need legislation for that.

Mr. HANBURY: That is what I am asking the government to consider. I should like to know whether they shall not provide in this legislation that in provinces where moratorium legislation exists such legislation must be lifted before any farmer may take advantage of the loans offered by this legislation.

Mr. RHODES: I accept the suggestion made by the hon. member in the spirit in which it is given. While I say to him it would not be possible, through the agency of its farm loan board, for the dominion government to wield the big stick, yet I can assure my hon. friend we will endeavour so far as possible to exercise such reasonable influences as may be open to us to see that legislation of the kind to which he refers is if not removed at least reduced to the minimum, and certainly that it will not have a detrimental effect upon the policy of the dominion government in its desire to assist the farmers in the provinces to secure money by way of loan.

Mr. HOWARD: The statement has already been made and I repeat that the Farm Loan Act and the Farmers' Creditors Arrangement Act should so far as possible work together. The Farmers' Creditors Arrangement Act has at the present time practically destroyed the credit the farmer enjoyed by reason of his being able to borrow from loaning companies. If a system could be worked out whereby the two pieces of legislation could work in harmony or cooperation, one with the other, I believe a great deal would be done towards the restoration of credit.

Further, I can understand where one body should have absolute control over the legislation, but on the other hand I believe inspectors should be segregated in certain districts and that their recommendations, as men knowing the conditions in different parts of the country, should bear a great deal of weight in the circumstances. I am thinking of it this way: I do not believe the minister wants to put on the statute books again legislation that will not be workable. I believe he is sincere in wanting this legislation to do something for the farmer, but in that case it seems to me he will have to go a whole lot further than he seems to be going in this legislation.

I am almost ready to accept the suggestion of the hon. member for Bow River. I believe that where a compromise is forced on a farmer, it is only forced on him where there is no other way. There is now a moratorium in the province of Quebec, and he cannot relieve his credit situation. He has certain assets and a great many liabilities. He goes to the referee appointed under the Farmers' Creditors Arrangement Act and they go into the whole situation in the fullest detail, figuring out what the earning power of the farm is and what the farmer's liabilities are. We will say for the sake of argument that he makes a settlement on a fifty per cent basis. The creditor is going to tell the referee the best side and the debtor the worst side, and when this arrangement is made and the referee makes his report to the court, I believe it ought to be almost compulsory that the farm loan board should advance the money necessary to clean off the debts and put the farmer on his feet. You may say that that is extreme legislation, but you are dealing with an extreme case. This legislation concerns a farmer who has to, or may have to, get off his land for good and all.

As to the neighbouring farmer who has a small mortgage on his farm but whose revenues have dropped because everything he has to sell has gone down to an exceedingly low point, it is just as vital to say to that man, who cannot now pay his taxes and other obligations on account of the high rate of interest, that you will cut his interest rate from seven to five per cent; you would thereby assist the farming communities and help to put the farmers on their feet, if that is the real object of this legislation. This money would not be coming out of the government or out of the taxpayers. It would mean a reduction in interest rates; in some cases for people who could afford to stand it, and in other cases for those who should take a reduction in interest rates. I cannot emphasize too strongly that the working of the Farmer's Creditors Arrangement Act puts the farmer who legitimately wants to borrow one or two thousand dollars and who can easily carry the load in a position where under no consideration can he borrow money from a loan company in a province where the Farmers' Creditors Arrangement legislation is in force.

Mr. RHODES: I rise only for the purpose of avoiding any misunderstanding with regard to one or two remarks made by the hon. member for Sherbrooke. I took down his exact words. He said that he was almost

inclined to favour the suggestion of the hon. member for Bow River that it should be compulsory that a loan be made by the farm loan board in the case, he said, where you force a compromise on a farmer. Those are the exact words of my hon. friend.

Mr. HOWARD: For the benefit of the farmer.

Mr. RHODES: Let me say to my hon. friend that if force is used it cannot be a compromise, and if there is a compromise there can be no force. I am not quarreling over verbiage. I am simply analyzing a statement of my hon. friend that will not bear analysis. If what my hon. friend meant to say was something different, he certainly did not say it. I could not conceive of a set of circumstances whereby the farmer would be forced to his own disadvantage. Does my hon. friend mean to suggest that if a farmer has a mortgage of $1,000 the board could say he owes $1,500? Not at all. The very essence of the Farmers' Creditors Arrangement Act, which is not under discussion at the moment, is compromise and conciliation. But where the board of review exercises the authority which it possesses under the act, in every instance the man who will have to make a contribution will be the creditor, not the farmer, unless you are going to conceive of the absurd situation that the court would say that the farmer owed more than he contracted to pay. As a matter of fact, in every instance the farmer will be the beneficiary. It will be only a question of degree.

So far as the question of interest is concerned, my hon. friend must realize that that in turn is a matter of compromise and conciliation under the terms of the Farmers' Creditors Arrangement Act. Well, if he does not realize that, he ought to read a book, because that is the fact.

Mr. LAPOINTE: Apparently it is no good.

Mr. RHODES: I said, read a book, not put it in a book. As I say, that is the fact unless the board of review decides to hand down a decision, which it is competent for it to do, to the effect that the interest shall be reduced as well as the principal.

Mr. HOWARD: I think it is only right that I should answer the minister. I did not intend to get into a controversy. Let me give him a concrete case. Suppose a farmer who owes $5,000 cannot meet his obligations, and because of his financial situation he cannot go any further. Surely the minister knows what working capital means to the farmer or in any other business. Well, finally the farmer has to avail himself of the facilities under the Farmers' Creditors Arrangement Act. The referee goes over his assets and liabilities, estimates his future earning power, and decides that he has a right to avail himself of this legislation and settle with his creditors on a fifty per cent basis. After that is done I say to the minister that the farmer still wants liquid working capital. Where can he get any credit to carry on his business of farming? He must have working capital to start again.

I still maintain that the suggestion of the hon. member for Bow River is not a bad one. Suppose the amount in question is $5,000, and the settlement is on a fifty per cent basis, which would make it $2,500. Then if the farm loan board—if the loan was not in the hands of a mortgage company—had to advance the necessary money to clean off that balance of $2,500, and say $500 working capital, you would reestablish that farmer and make him a real asset not only to the province but to the whole of Canada.

Mr. GARLAND (Bow River): I think I shall have to come to the defence of my own proposal, because I am afraid in some quarters it may be misinterpreted.

In the first place may I say to the minister that my only object in referring to what I regarded and referred to as over eulogizing of the effect of the scheme was not to minimize in any degree the possibilities of the Farmers' Creditors Arrangement Act, but rather simply to state what was the fact, and the minister himself has not disabused my mind in that regard.

Mr. RHODES: I would not expect to.

Mr. GARLAND (Bow River): When he tells me that there were a thousand cases I have no doubt that there were. But one thousand out of 782,000 farms most of which owe money is after all not something to talk about very loudly. Let us be fair. I am satisfied that if the act has not made greater progress it has been due to two factors. First it has not been operating long enough, and the provincial boards of review did not go into operation quickly enough. There may be no blame to be placed on this administration in that regard. I have no doubt they did their best to expedite business, but they did not start until quite late. Secondly, compromise under this legislation can be best effected if the farmer is able to say to his creditor that he is prepared to meet him in cash. There is no doubt about it. I went to one of the mortgage companies in Calgary and put my own case to them this fall. I said, "I should like to arrive at a compromise with you. I

do not want to come under the Farmers' Creditors Arrangement Act unless it is absolutely necessary; I want to reach an agreement with you outside the act." The answer of the man I interviewed came at once, "Mr. Garland, what are you prepared to put up? How much cash can you give?" I told him I was not in a position to make any cash payment and he replied, "That's all right, old man, Will you drop in some time when you have cash and we will talk it over." The effective compromise that will benefit the farmer to the greatest possible degree can be obtained only if the farmer is reasonably certain of being able to secure cash with which to meet the claim. I therefore suggest to the minister that, in dealing with this farm loan act, he might take into favourable consideration the possibility of an amendment which would be so framed—

Mr. RHODES: I heard it before. I heard the hon. member the first time.

Mr. GARLAND (Bow River): I hope the minister understood it, though. The proposal was that an amendment might be introduced to provide that, in the event of the board of review having come to a decision as to the maximum capacity of the farmer to meet his obligation, every factor being taken into consideration, that settlement should entitle the farmer to borrow from the farm loan board the amount necessary to make the compromise effective. That is my suggestion.

Mr. RHODES: I heard the hon. member the first time. It did not require a great deal of mental application to understand what he said when he first said it, and I think I understood it on that occasion. I cannot say more now than I did on the first occasion; my feelings are precisely the same. But I did conclude by saying that his suggestion would be carefully considered, and that is all I can say. So far as the operation of the Farmers' Creditors Arrangement Act is concerned, I think the committee will endorse the suggestion that I should await the bill which is now before the house dealing with that measure before I give any details. When the proper time comes I shall be glad to traverse in detail the ground which my hon. friend has covered.

Mr. POULIOT: May I make two suggestions. First of all, why does the government intend to lend such a large amount of money to farmers? Is it not because the farmers have no money? And why have they no money? Is it because they have no farm products? No; it is because they cannot sell their products. And why can they not sell their products? Is it not because they have no market? Therefore would it not be a good thing for the government to consider a reduction of the tariff so that the farmers might eventually be able to sell their products, instead of being obliged to borrow money from the government? That is my first suggestion and I make it in all earnestness.

The second suggestion is this. The farmers have lost a good deal of money not only in consequence of a decrease in external trade but also because of a decrease in the home consumption of farm products, so much so that the amount which is mentioned for the loan is but a small fraction of the losses sustained by the farmers. These losses are very considerable, and I would refer the committee to Hansard of June 6 of last year. I will not repeat the facts set out there, but the decrease in value of fourteen farm products in the year 1932 compared with 1930 has been $440,000,000. The humblest farmer has lost at least $50 a month as a result of the decrease in trade and the decrease in the sale of farm products. Would it not be possible and desirable for the Prime Minister and the member for Argenteuil, who are two of the richest men in this country, to give of their wealth for the benefit of the farmers who have suffered so much on account of their policy? I make this suggestion in good faith, and if they will accept it they will prove their good faith. Mr. Baldwin did something of this kind in England and he was praised by everyone as a good citizen. I suggest to the Prime Minister and the member for Argenteuil, two of the richest men in the country, that they follow Mr. Baldwin's example.

At six o'clock the Speaker resumed the chair and the house took recess.

After Recess

The house resumed at eight o'clock.

The house resumed consideration in committee of resolution to amend the Canadian Farm Loan Act—Mr. Rhodes—Mr. Ross in the chair.

Mr. BERTRAND (Translation): Mr. Speaker, I listened this afternoon with a great deal of attention to the debate on the amendments to the Farm Loan Act. Let me point out that there are some factors which we must not lose sight of while examining the necessity of farm loans. In dealing with this question, perhaps it would be well to consider somewhat the conditions of agriculture and the reasons which prompt us to amend the Farm Loan Act, as well as all the laws tending

toward the protection of agriculture in Canada. There is no doubt that the difficulties of later years prevented the farmers from meeting their obligations and that the amount of their debts generally increased, in spite of a reduction in the cost of living. However, operation costs have not been reduced in the same proportion as the price of farm products. That is the cause of the farmers' embarrassment. Although there were Dominion farm loan acts in operation in all the Canadian provinces, except in Saskatchewan, Prince Edward Island, and Ontario, provinces who have their own farm loan laws, they could not meet the precarious condition in which the farmers found themselves during these years of depression. The various provinces, besides the Farm Loan Act, have had to consider moratorium measures in order to keep the farmers from losing their lands, and save the farming industry which we like to consider and which has been considered throughout the whole history of Canada as the basis of our economic structure.

Through the farm moratorium acts either the payments of the farmer's debts were deferred or the exigencies of the mortgage deeds made ineffective. This did not improve the precarious condition of the farmer to which I referred a moment ago. Last year, this parliament passed a bill called the Farmers' Creditors Arrangement Act to facilitate arrangements between the farmers and their creditors. We were aknowledging thereby the fact that the farming industry was perhaps in a worse condition than it had been in for a long time and that something had to be done, something very urgent in the form of legislative measures.

At the present time the farmer is unable to pay and that is why the Arrangement Act that was passed last winter and that is now in force, is beginning to operate throughout the country and the requests will be far more numerous in the near future. At present, the farmer wonders what will become of the cases now under consideration by the receiver, and which, failing an agreement before the receiver, are finally referred to a judge and two representatives of the parties, who have to decide how much the creditor must lose on his loans to the farmers, to what extent the debts must be reduced and how much the farmer will have to pay or try to pay pursuant to such compromise.

I was pleased, Mr. Speaker, to hear the minister himself say this afternoon that the Farmers' Creditors' Arrangement Act and the Farm Loan Act should be considered jointly in order to secure legislation which would be easy to operate and effective in its results for the welfare of the farming industry, as a whole, and specially to keep the farmer from losing the land on which he lives.

This Farmers' Creditors' Arrangement Act ought to be fair to the farmer as well as to the creditor. Allow me to review the effects of the various applications for a compromise which have been made in that part of Ontario where I live, and which are about to be decided upon. In the county of Prescott, which I have the honour to represent, a few of these applications will be examined at Ottawa by Judge Hope, on Thursday and Friday of this week. We are awaiting these decisions with some anxiety. Some decisions have nevertheless been already rendered upon which an intelligent study of the legislation might be based, and which permit us to offer our best suggestions to the hon. Minister of Finance (Mr. Rhodes). The Farmers' Creditors Arrangement Act, in order to help the farmers, must be easy to operate and bear results.

There is no doubt that the farmers who are applying now for a compromise with their creditors are those who have trouble in meeting their obligations, or are unable to meet them at all, in many cases because of the accumulation of these obligations. For instance, we see some farmers who not only have been unable to pay any interests for one or two years, but who also owe tax arrears, bills at the stores, the blacksmith, the baker, and even promissory notes on implements, because the moratorium allowed them an extension of time to pay them, when they applied for it to the county judge. The latter granted them a delay of six months to help them out, and then another extension of time at the expiration of those six months, thus accumulating the debt which compels them to-day to ask for a compromise.

I cannot help making two particular suggestions to the minister, because the farmers are not all in the same position. It is absolutely necessary to amend the Farm Loan Act, so that when a farmer makes a reasonable offer to the receiver, the latter may have the power to instruct the Dominion Board to lend the necessary amount to facilitate the arrangement. I heard the minister of Finance say this afternoon in reply to the hon. member for Bow River (Mr. Garland), that you could not instruct the Farm Loan Board to make a loan. But if you want to keep the farmer on his land, that is what you should do and the case would be settled. There is another suggestion I wish to make. The Dominion Board should be empowered to lower the rate of interest as much as it may

be necessary in order to reduce the payments to be made by the farmers and thus allow them to remain on their land without causing too great a loss to the creditors.

I shall revert to my first suggestion that the receiver or those who have to deal with the case should find the necessary funds. And here is the reason why I am making this suggestion: There is no doubt, in some cases at least, that the farmers owe more than their land is worth, and their revenue is too low for them to make a living, to pay their debts and their interests and to provide for the upkeeping of their farms. Therefore, they ask for a reduction of their whole debt, they propose not only to reduce their mortgages, but all their other debts, offering to pay a certain percentage in five, ten or fifteen years. Here is what happens, Mr. Speaker. As soon as a farmer applies for a reduction of his debt and a certain delay within which to pay it, nobody will sell to him on credit any more. Now in several parts of the country, and specially in the Ottawa valley, the difficulties of which I have more specifically studied, the farmers can obtain money only once a year from their crop. Let me explain. During the summer, the sale of milk in later years did not yield enough to provide for the upkeep of a family, and also to pay taxes and interests. Therefore, they must wait until the crop is sold, whether it be clover or timothy seed, hay or grain. It is quite logical, for you cannot draw practically any other revenue out of these lands. As soon as the farmer makes his application, he cannot get anything on credit at the store, he cannot buy on credit any more, neither feed for his cattle, nor the commodities which he does not grow himself. He cannot secure any credit anywhere, and therefore his operations are stopped. Being unable to get credit anywhere, the farmers are compelled to sacrifice what is left, either their live stock or their implements, to provide for their families. Therefore, being deprived of the necessary means of production in the future, how will they be able to pay the amount required by the compromise? If the farmers had the opportunity to effect the settlement in cash, they would protect their credit, the people would rely on their being able to operate their farms, and they would not be in the precarious position in which they are now.

It must be realized that farmers who compromise with their creditors, being unable to make any further purchases on credit, will find it difficult to carry on their farming operations and will therefore be doomed to a second failure. The hon. Minister of Finance may tell the house that this act has given good results, and he may produce figures to that effect, but the facts contradict his assertion, for if the farmer is unable to borrow from the Canadian Farm Loan Board to meet the amount of his arrangement with his creditors, he will be unable to find money anywhere, and, without money, he will be unable to operate his farm in a normal manner and his returns will suffer. That is why I say that he will be doomed to a second failure.

Should the present situation continue, lenders will find themselves forced to take back farms in bad condition, poorly fenced, with neglected buildings and with soil impoverished by lack of fertilizers, and not only will the farmer find himself in a bad state, but the farming class will have lost its credit. May I say by the way that this arrangement act, as it stands at present, will make it impossible for young farmers to buy land, because they will find it impossible to borrow. In my district, loans to farmers are made not by companies, but usually by retired farmers who lend their life-time savings to the younger generation. Their savings are not large and they need them for their subsistence. If, in order to protect the farming class, we make them lose part of their savings, these old people who thought they had laid aside sufficient money for their declining years, will find themselves forced to apply for old-age pensions and will thus become public charges.

When an arrangement is effected between farmer and creditor, what could be more just than to pay in cash the amount involved? Having paid his debts, the farmer would retain his credit and would be able to continue operating his farm. The creditor, on the other hand, having received his money, would be able to invest it elsewhere to the best advantage.

But the Farmer's Creditors Arrangement Act does not cure the farmer's ills. It entails loss to the lender and deprives him of his income.

It will be said that the farmer agrees to pay interest on the amount compromised for. How will he be able to pay more next year than this year if his income has not increased? Even if you reduce to $4,000 a debt of $8,000, if the real value of the farm is at present $2,000, the farmer will be unable to meet his interest, with taxes as they are to-day in Ontario. I mention Ontario because, living there, it is the province I know best. With the high cost of living and the heavy cost of operating a farm, the farmer will still be

unable to meet his obligations if he has to continue paying interest rates as high as those he pays to-day.

In such cases it would be much fairer, it seems to me, for the receiver to effect a compromise by which the rate of interest would be reduced, but the principal of the debt left at its original figure. The rate of interest should be brought down to the level of the paying capacity of the farmer, even if it meant lowering it to 1 per cent, but the principal of the debt should be left intact. We all hope to see the return of normal years, and when they come, these farms will be back to their normal value.

Take, for example, the case that I mentioned just now, of a farm that had cost $8,000 and on which the debt had been reduced to $2,000 by means of a compromise effected for a period of ten years. When the borrower repays the lender at the expiration of the ten years, should the farm have regained its normal value of $8,000, he will have recovered possession of his property for the sum of $2,000, and if he can sell it for $8,000, he will make a profit of $6,000. Now, the farmer is not in the habit of making money in this way; he is used to earning his money honestly and by hard work. It would be most unfair to the lender, who would lose $2,000 by the fact that the working of the Farmers' Creditors Arrangement Act reduced his loan of $4,000 to $2,000. This act therefore works to the detriment of the retired farmer who lends out his savings to make it possible for the younger generation to acquire land.

If this act is to be worth anything, it will be necessary, in urgent cases, to make use of the Farm Loan Act, in order that the amount compromised for may be settled in cash, that all debts may be paid and that the farmer may be placed in a position to continue operating his farm.

And in the particular cases where that is not possible, it would be better for the receiver or the judge to have the power to reduce the rate of interest, in order that farmer and lender may each contribute his share of sacrifice. It would be better to have the rate of interest made low enough to enable the farmer to keep his land and, when better times come, he would continue to pay interest at the current price of money in Canada. In that way, the lender would not lose his claim and, especially, people will not be told that we, in this country, do not pay our debts.

Our farmers still wish to pay their debts. It is considered in certain quarters that this Arrangement Act allows farmers to go bankrupt in the same way as other classes who have in the past caused losses to the people by selling them worthless securities and have then escaped their obligations by resorting to bankruptcy.

If we allow our people to get the idea that the farmer also may have recourse to bankruptcy, I say quite frankly that we will never again have settlers like those of old, who cleared the land in this country so as to make it possible to draw therefrom the agricultural products that have so greatly contributed to the wealth of our export trade.

The government should give serious consideration to these suggestions before definitely introducing a bill relating to farm loans and to arrangements between farmers and creditors, in order that these measures may be of real advantage to agriculture and that they may not, like this Arrangement Act, threaten to destroy the farmers' credit and to bring about a second failure. We should seek to protect agriculture instead of taking the risk of making farming almost impossible. Especially if farm products remain at their present price level, it is absolutely impossible to earn a livelihood on the farm. It is not so much the present generation that we are thus detaching from the land, as it is the younger generation that we are preventing from taking up farming. For it is generally recognized to-day that the younger generation cannot establish itself on the land with any hope of making a living.

Mr. E. E. PERLEY (Qu'Appelle): I should like to express my approval of the proposed amendment to the Canadian Farm Loan Act. From the general agreement expressed in all quarters I think there is no doubt that these amendments will carry. First it is provided that there be an increase from $40,000,000 to $90,000,000 in the amount placed at the disposal of the board for loans. That will widen its field of operations. The amendment to the act last year increased the amount available from $15,000,000 to $40,000,000 and required the provincial governments to subscribe five per cent and the borrower five per cent. This legislation was more or less complementary to the Farmers' Creditors Arrangement Act. I was pleased with and I endorse the statement made this afternoon by the Minister of Finance in respect of that act; I think it is one of the finest pieces of legislation, the most far-reaching and important, that has passed this house. It has been the means of putting new heart into the

farmers in western Canada, giving them new hope and encouragement to rehabilitate themselves and make a fresh start.

During the discussions last year the Prime Minister and the Minister of Finance made it very plain that the amendments to the Canadian Farm Loan Act were complementary to the Farmers' Creditors Arrangement Act. But it was clear that when a farmer had taken advantage of the debt compromise arrangements with his creditors, unless he had some capital with which to carry on his position was not much better than before. So it was provided that the farm loan board should come to his help and could lend to the farmer fifty per cent of the appraised value of his land, twenty per cent of the appraised value of his buildings and fifty per cent of the appraised value of his chattels, in order to give him some ready money to make a new start. It would enable him to consolidate his liabilities.

One of the first and most important things to be considered is the interest rate. It must be as low as possible. The Minister of Finance stated that he thinks a spread of one and one half per cent will be necessary between the amount charged the board by the government and the rate the board charges the farmer. If one and a half per cent is necessary that is all right. But this government within recent months borrowed money at three per cent and three and a half per cent, and I think we are all of the opinion that it is desirable that the rate to the farmer should not exceed five per cent, and should be lower if possible.

I am very much in favour of a dominion board, one board to handle farm loans throughout the dominion. This does away with provincial boards, so that there will no longer be the passing of the buck to some other organization or "an alibi" as mentioned by the hon. member for Souris (Mr. Willis).

The method of operation of the loan companies in the years prior to say, 1925, was this —and I know whereof I speak: they were out seeking loans in the west. They had an agent in every town. He would go to the farmers; he would pick his men, and endeavour to place the money for the companies. Where a farmer might talk of a loan of $2,000 or $3,000 to make some improvements on his farm or pay an instalment on the purchase price of another quarter section of land, the agent would say to him, "Your property will stand a loan of $5,000 or $6,000," In other words, they encouraged farmers to borrow more than they required. A great deal of the present debt in western Canada is due to operations of that kind; farmers have loans of $5,000 or $6,000 that they never would have had had they been left to their own discretion. To-day the situation is that no loans are to be had. The loan companies have practically withdrawn from a large part of the western provinces. I can cite cases in my own constituency of farmers who after three or four years of adverse climatic conditions are in need of a loan. But owing to that condition the loan companies refuse to make loans. This amendment will make money available for such farmers.

Then there is another class to which I think reference was made by the hon. member for Moose Jaw (Mr. Beynon) and the hon. member for East Edmonton (Mr. Bury); that is those in the west who have retired from their farms, some on account of age, some on account of physical disability, and who are living in the towns. They may be operating their farms by hired labour, or may have their farms rented. These are as fine a class of citizens as there is in any part of Canada; they are the pioneers who came west in the early days, and who put all they had into the development of the country. But I do not think they come under this act. I think the Minister of Finance would be well advised to give consideration to the suggestions already made by the previous speakers concerning them.

The farmers need this relief immediately to assist them to carry on. It should be based on their ability to pay over a long period of years. I have no doubt at all that the west will come back, and if there is a system such as this to help them over their present difficulties it will go a long way to rehabilitate the west and restore its capacity of producing new wealth, if climatic conditions are favourable.

In closing I wish to refer briefly to one or two statements made this afternoon. There was a question concerning the cost to the farmer of getting a loan. I have no particular objection to the cost as outlined by the Minister of Finance this afternoon, but what I have heard many farmers complain of is the annual or biennial inspection by the loan companies and by the inspectors of the provincial farm loan board. For this there is generally a fee of $10. This is all it amounts to: the agent of the company drives out and asks the farmer how many acres he has in crop, how many acres in summer fallow and so on. In about fifteen minutes he drives away again, but in the annual interest notice the farmer finds an item of $10 for inspection. I trust that will not be the case under this board.

The hon. member for Bow River (Mr. Garland) stated that now the loan companies were prepared to compromise, that if a farmer would go to a loan company and offer a reasonable amount of cash the company would be prepared to compromise and accept that money. I should like to ask when the loan companies began doing that sort of thing. That has been the case only since legislation similar to that now under consideration has been on the statute books; I refer to the adjustment act of last year. Three or four years ago you never heard of the loan companies doing anything of the kind. They are doing it now only in order to keep the farmers from taking advantage of the Farmers' Creditors Arrangement Act.

The west will come back. This afternoon I was interested in the statement made by the Minister of Agriculture (Mr. Weir) with respect to what the government propose to do in rehabilitating that part of the western provinces commonly spoken of as the drought areas. I think the government is on the right track in pursuing a policy that will re-grass that portion of the country and conserve the moisture. I have no fear of the future if matters are handled in the proper way. Again I wish to express my very great approval of this measure, and I know the farmers of western Canada in particular will approve of it also, because many of them are waiting to take advantage of the provisions of this measure when the bill is passed.

Mr. MOTHERWELL: Mr. Chairman, it is rather surprising to me, as I am sure it must be to the minister, to find so much unanimity in regard to this matter and yet we linger over it for so long. It has occurred to me, however, that possibly there is a side to the question that has not been dealt with as yet, and that all will not be plain sailing unless we go about this in the right way.

It was an entirely new doctrine to many of us that the way to get out of a hole of indebtedness was to climb into a deeper hole, that the way to get out from under mortgaging was to get into more mortgaging, especially when that is associated with the restriction of exports as in the case of our wheat last year. We wonder what order we have entered; are we in the C.C.F. or what? Do not mistake me; it is because everyone else has fled from the field of lending to agriculture that the government is left alone, the only source from which farmers can borrow. As one who never has been enthusiastic about either provincial or federal governments going into the lending business, I fear the ultimate results of this legislation if we do not handle it right.

May I, as an elderly farmer, give some reminiscences of my youth when old Ontario, especially east from Kingston to the Ottawa river, was relatively nearly as heavily mortgaged as it is to-day, and there semed to be almost as much difficulty in getting out. The difficulty was not so great then, of course, because we had not acquired our expensive habits at that time; there were no motor car and radio obligations to eat us all up. I remember that day quite well, and the way out that was invoked was very different from what we are proposing now. Perhaps it is not altogether fair to make a comparison, but it will do no harm to mention the methods that were employed away back in the seventies, part of the eighties and the early nineties, by which we did succeed in getting out of debt to a large extent. How was that done? Well, we turned to dairying for one thing. The cheese factory business began in earnest about sixty years ago, providing some cash revenue for the farmers. Then the bacon and poultry industries were speeded up also as well as other lines. The farmers at that time were not looking for more leisure or for shorter hours; they were devoting themselves to hard, persistent and intelligent work, and they were practising thrift. How old fashioned these terms sound, but some old fashioned things must become new fashioned, and this is the time for it. I hear people talking about how much leisure they should have on the farm. Believe me, I have never seen much leisure on the farm except an occasional day that is simply taken off, If one is forehanded enough of course he can have some leisure, but you must not sit by and count your hours of work as compared with your leisure days and object because there is not more leisure. That was not the way we won the war, I am sure, and it is not the way we will get agricutural conditions on a better footing, although, like the last speaker, I believe the industry will eventually come back, but it will be a severe grind.

In what respects do conditions to-day differ from those of these old days? Should we disregard all those old methods of getting back on our feet? The Minister of Finance is a maritimer; he was brought up, as I was, to abhor debt and mortgages, though I fell into it slightly, together with nearly everyone else in the west. Let him that is without sin in this respect cast the first stone; I am not going to. But we are here, and the government is the only medium through which money can be borrowed on farm property.

As I look at it this bill must be tied up with the debt arrangement act of last year; that is to say, if our credit is down enough we can have our debts adjusted at possibly fifty cents on the dollar or less. A man who is in fairly good standing, however, will be expected to pay his creditors in full, and in time no doubt he will do so. As I understand it, however, this measure, together with the Farmers' Creditors Arrangement Act, is to be a sort of refunding of the debtor's indebtedness. Perhaps the term "refunding" should be applied to the creditors rather than to the debtors; I think it should be. At any rate, the indebtedness is written down as low as possible and then, to use an illustration, instead of owing a private corporation say one dollar the farmer will owe the government fifty cents. If I am wrong in that illustration of what it amounts to I hope the minister will put me right, because it is hard for a layman to understand all the intricacies, not of this resolution but of the creditors rearrangement act.

I think if we could just look upon the government as a private lender there would not be so many dangers in legislation of this kind. But mark what I have said; the government is now the sole medium through which money can be borrowed on farm property. When times get a little better and you expect ordinary private lenders to reenter the field, the question naturally will arise whether or not they will enter the field and compete against the government. When we consider the history of mortgages in the last quarter of a century in Canada we find we first exhausted all we could get from the private lender, then all we could get from mortgage company or insurance company, then all we could get from the banks, then all we could get from the provincial governments and, after we had milked them dry, all we could get from the federal government. I wonder if there is any higher authority? Yes, we know that in company with the federal government the imperial government have given loans to Newfoundland.

I cogitate on these facts because I think the government is responsible for not being more candid as to the limitations of this measure. They know perfectly well the dangers involved in lending money and how horribly poor the average government is as a collector. There is no doubt about that. I hate to think of it. Speaking of the west, because I am not as familiar with conditions in the east as I was when a youngster, I would say that unless we associate this increased borrowing or rather rearrangement, with better farming practices, more seeding down of both grass and clover and keeping our soil at home, which we are not doing at the present time, no amount of borrowing will help us very much. On the other hand if the government will admit frankly that this is not a panacea, if they will just get out of the ether waves and admit that this measure is only a makeshift or stand-over, and that it is only a means to tide over the situation until we get our footing and our breath, we may get somewhere. I believe in the aggregate mortgaging has done agriculture more harm than good, because moneys frequently have been unwisely loaned and pressed upon an inexperienced borrower.

May I refresh the memory of the committee concerning the very limited supervision which in the past lenders have had over money loaned on farm mortgages. This applies not only to private corporations and individuals but to governments. Theoretically every loan made by way of a mortgage indebtedness should be in a position to pay itself back by way of a sinking fund provision plus interest. The purpose is eventually to wipe off the debt in a given number of years. Can any hon. member tell me of any time in our history when farm mortgages were given on that basis? A great deal of the mortgaging in the west was done without the farmers realizing it. They slipped here and slipped there, buying horses, buying more land and buying greater equipment, but starting with nothing. After a while the mortgage company would make this proposition to the farmer: "Would it not be better to have a loan on your indebtedness which would be due to one corporation rather than to eight or nine individuals and thereby liquidate all these smaller debts?" But that kind of mortgaging meant that the money was gone before it was borrowed; it was used in paying for dead horses. Very little of it was spent in productive enterprises which would have had any likelihood of paying back at least part of the debt.

I would urge the minister—and I am sure he must entertain some slight misgiving such as I have described—to invoke some stricter regulation to supervise the expenditure of these moneys. Of course, I do not know whether or not there will be any overages to spend. I know that ten or twenty years ago one could not tell the average borrower how to spend the money he borrowed; he would not stand for that. He would simply go to another company that would not impose conditions. The time has come however when even the borrower is glad to have the advice of an experienced lender as to how he may best administer the proceeds of a loan.

As a result of a general laxity in the supervision of loaned money we have to-day a vast array of insurance company and mortgage company representatives supervising farms. Those men are trying to establish the farms along better lines of farming and, I believe, are doing good work. But with this experience before us I wonder if we are asking too much when we ask this parliament—not the government alone, but all of us—to cultivate more of the old fashioned anti-mortgage attitude, more of the anti-mortgage mind, in place of the attitude which has obtained in former times. I suppose no hon. member of the government or the house is any more conscious of the dangers in this measure than the Minister of Finance, if we may judge from his remarks regarding the nationalization of our commercial banks. So far as his observations applied to the commercial banks I felt he was not far wrong. When the government once enters the field of lending on farm mortgages they will for a certain length of time keep other people out. There can be no doubt about that. We will then be adopting a system of borrowing and lending by federal government alone, which we have never had before in Canada. I am so averse to state socialism that I fear unless great wisdom is exercised a great deal of farm land will go back to the government and it will then be in the position of having to administer it socially. Is that the thin end of the wedge of C.C.F'ism? I am quite sure it is not the intention of the government to play that part. If we are not to play that part I say it is the government's duty, a duty resting upon all of us, to do our best to point out that this business of beating down the lender on loans in poor standing and then getting from the government enough money to pay the revaluation is only a tide-over policy for some and does not in any way resemble a permanent remedy for agriculture.

I believe I have nothing further to say, unless it be that I am sure I will be misunderstood. However, sometimes at three score and ten and five on top of that, one may say things he could not say if he were younger. At least if I have spoken unwisely, I will not have as long to be exposed to the harpoons of others. If I have so spoken at least I have spoken just as earnestly and as full of belief as any hon. member about the danger I have described. I believe I heard the hon. member for Stanstead (Mr. Hackett) make some wise observations. I could not hear him very well, but those parts I did hear I liked. Outside of that I have not heard many notes of warning. I have lived through a period in the seventies when people in spite of their mortgage troubles got on their feet by the methods I have referred to, not by shorter hours but by hard work, intelligently applied, although some have been worked to death. It does look now as if the only way to get a breathing spell is to go a little further into a rearranged debt. That is a horrible admission to make, and the government of all places to borrow from. I do not know what government first started this policy of lending money, but there is a responsibility on their shoulders. I have had the misfortune of being in two governments that adopted the policy of lending money, and I am prepared to take my share of the responsibility therefor, but I hope that this government will learn from the mistakes of the past. They are now amending an old bill of ours of 1927, and I hope they will take their courage in their hands and say what I am saying, only say it better if they believe it.

Mr. LAPOINTE: But they cannot say it any better.

Mr. MOTHERWELL: They can, I feel sure, say it better. The Prime Minister can, and so can the Minister of Finance, and I would like to hear them say it. Then they will get all the good out of this measure, that there is in it, and as little as possible of the bad.

Mr. RHODES: Mr. Chairman, with much if not all that the hon. member for Melville has said I am in entire agreement. May I say at once to him that I appreciate the sincerity and frankness with which he has spoken. I rather marvel at his raising the question whether this is the thin end of the wedge of a new policy, and I rather wonder at his query: who is responsible for this new incursion of the government into the lending field. I do not say this with the slightest intention of making the tu quoque argument or of evading the full responsibility of this government for the legislation with which we are now dealing; but may I point out to my hon. friend that he was a member of the government which—

Mr. MOTHERWELL: I admitted that.

Mr. RHODES:—which introduced the thin end of the wedge, and the responsibility for its initiation must be shared by the government of which he was a member.

Mr. MOTHERWELL: Sure.

Mr. RHODES: I do not find any fault with that. I believe it was brought about by reason of a set of circumstances The govern-

ment was confronted with a set of facts, not of theories, and the real reason for the introduction of that policy in the first place I believe was that there was a dearth of mortgage money for the farmer, coupled with the circumstance that such money as was available to him was available only at an exorbitant or unduly high rate of interest, or at all events a rate of interest which was higher than the farmer could properly afford to pay at the time. I find no fault with that.

The occasion for the bill in question is an extension of that thin end of the wedge brought about by reason of the fact that there is not merely a dearth of money for the farmer but an almost entire absence of money from private sources, coupled with the fact that if we are to make of the Farmers' Creditors Arrangement Act, the complete success that we hope to be able to make of it, there must be available some source from which loans can be made.

Let me say at once to my hon. friend that I share with him the misgivings he feels with respect to the government entering into the lending field. I believe that the government in the nature of things is an inefficient instrument for that purpose, and must of very necessity be so. It is rather a case of what is everybody's business is nobody's business, and the difficulty is to get the type of man to deal with the business of the government as he would deal with his own if he was a prudent man. But even if in the last analysis there is lost a certain amount of the principal sum, which I have no doubt will be the case, though we exercise, as we will, the utmost care, it would be far better on balance that that circumstance should arise than that thousands of deserving farmers throughout the country should be denied the opportunity of being rehabilitated and of getting back their courage and their opportunity to succeed and to thrive and to remain as satisfied citizens upon the land.

My hon. friend put forward the suggestion that the farm loan board acting on behalf of the government should be cautious as to the manner in which the money which the farmer secures on loan shall be expended. I agree with him entirely, and as a matter of fact in practice the farm loan board did lay down in the past and at the present time is laying down conditions as to the manner in which the money loaned shall be expended. They require from the farmer a statement as to what he requires the money for and so far as possible they see that the money reaches the destination intended in the first instance.

My hon. friend from Melville put the direct question to me whether a farmer who had been able, under the Farmers' Creditors Arrangement Act, to make a compromise with all his creditors at fifty cents on the dollar would in that event be able to go to the farm loan board and secure a loan which would consolidate his position. The answer is yes, but with this qualification: it does not necessarily follow that because a settlement of that character is effected, ipso facto he can come as a matter of right to the farm loan board for a loan. In other words, it is the purpose that each loan shall be considered upon its merits and that there shall be taken into account not only the question of security but what I think is one of the most important considerations of all, the one which I would have in my own mind if I were lending money either on my own behalf or on behalf of the government, and that is the character of the man to whom the loan is made. Is his integrity, his industry and his ability such that he is likely to succeed in the business of farming? I have seen farmers who under the most favourable circumstances would starve to death on fertile land contiguous to one of the finest markets of the country; and on the other hand I have seen farmers on poor soil, badly located, handicapped with debt, who by their courage and determination, their energy and ability, have succeeded in thriving, prospering and bettering their condition under adverse circumstances. Such are the considerations which must always be taken into account, and subject to those conditions and having regard to the facts in each individual case, the farmer under the circumstances outlined by my hon. friend from Melville will be able to go to the board and secure a loan. But I want to enter this caution. I have a fear, and I state this with the utmost frankness, that we shall find this situation arising, that lenders, whether they be individuals or companies, anxious to secure some if not the whole of their money that is locked up in what might be termed a frozen mortgage, will spur the individual farmer on in an effort to secure government money. Now if that type of lender has the idea that this farm loan act is intended to bail him out of his position he is very greatly mistaken, and I hope the good sense of the farming community in the country will not lend itself to such purposes. If this money could be made available to meet individual cases where, if money were loaned, it would have the effect of rehabilitating the farmer and placing him on his

feet, it would go a very long way. But if any mistaken policy were adopted of handing it out in the way that has been suggested the act would prove largely abortive. I hope that such a condition will not come about.

Mr. MOTHERWELL: I am pleased to learn that my conjecture was right, that the minister and I were two old fashioned individuals so far as borrowing and mortgaging are concerned, and I am proud to be associated with those of that type. But with reference to the fact, already admitted, that I had been associated with a government at a time when governments loaned money not because they were the only medium of loaning, but because they were trying to lower and control interest rates by corporations, everyone recognized that eight and nine per cent could not be paid on farm mortgages, and yet that was being charged and in some instances a higher rate. Provincial governments were induced by demands on all sides, both provincial and federal, to be a competitor in the loaning business at a lower rate, thus having a tendency to bring down rates generally. But even with that possibly laudable purpose in mind, it was fundamentally a mistake, in my opinion, for Canada to go into the loaning business through its government. However, we are in; that is the point, and the question is—How are we to get out? There is a theory to-day that if your interest is low enough you will be able to pay your mortgage back. Possibly you should be. But I recall quite well that many years ago I bought a quarter section of school land from the government. The interest was then only three per cent, and it was the government that I owed; that fact was always in my subconscious mind. If I had greater pressure from creditors whose money was carrying eight per cent I paid them first and let the government whistle for a little while for their money. Was I wrong? Will you not pay for the loan carrying the higher interest first? I remember also one occasion—I do not care to say how far back it is—when we were using what we called a sweep horse power. A number of us clubbed together and bought a threshing machine. It was a secondhand machine and after we had got it partly paid for we had to get repairs costing $72—I shall never forget the amount. How were we to get the repairs? We could not thresh until we got the repairs and we could not get the repairs until we threshed. I was the only one in the company that was not doing much that particular day. We had to have a joint note and we went to the private bank, because there were no chartered banks there then, and a neighbouring farm woman and myself went down in our buckboard to the bank and borrowed money that figured out at 36 per cent, and we were glad to get it. We stuck the repairs on the machine and got it going, and believe me we did not let that loan run overdue. This convinces me therefore that sometimes a rate of interest that is quite low has an effect the opposite of what we anticipate and so with the 36 per cent previously referred to. Therefore, no kind of farm mortgage is good unless one adopts the principle of taking as little as one can get along with and getting rid of it as quickly as possible.

Mr. VALLANCE: The Minister of Finance made a statement that brings me to my feet, because there are many farmers, especially in the west, who feel that they will use the farm loan board for the very thing which the minister says it cannot be used for. Mortgage companies are carrying them to-day at eight per cent, which is the average, and they take the view that if they can get it from the board at six per cent, or as low as four per cent, as we suggest to the minister, they will be able to get from under the load they are now carrying. The minister says that is not the purpose of the bill. If that is so I will tell him frankly that eighty per cent of the mortgages in the west will have to stay as they are now; and if the farmers cannot get an adjustment, not being able to come under the provisions of this act, if that is to be the policy of the board, then I am bound to say that the act will not perform the function I think it should. Let me paint a picture, taking the minister back twenty-five or twenty-eight years ago to western Canada, a wilderness—and some of those people are still in that country. They went there without anything. They had no accommodation of any sort, neither highways, railways, towns nor villages, and they built the country up. They have all these conveniences to-day, but in the creation of them they find themselves saddled with a heavy mortgage indebtedness. They are faced with this indebtedness in spite of the fact that they have built up the country, and notwithstanding all the wealth they have created, which has been of real advantage to the dominion, billions of dollars. I have listened to the Prime Minister as he has spoken of the new wealth created there each year, and yet these people are sitting to-night with little equity in their land. Unless this act brings some measure of relief to these people, then eighty per cent of it will be futile so far as the west is concerned.

Mr. RHODES: My hon. friend has not interpreted my remarks as they should have been, but if I have not made my position clear the fault is possibly mine. My hon. friend from Melville put a specific case and I said that the act would be available in the case he mentioned, but not of necessity. What I had in mind was this. It would be a misfortune if the farmer were used as a catspaw by loan companies and individuals who have mortgages to enable them, to use the vulgar expression, to get out from under and saddle the government with mortgages, because it must be borne in mind that the maximum that can be loaned under this measure is $90,000,000, and the loans on farms in this country run into hundreds of millions. This act would not serve the purpose for which it was intended if it were used immediately to absorb existing mortgages to that extent; it would soon be gone, and the individual farmer in difficulties would not be able to avail himself of its provisions. But if there is a settlement, either by way of compromise or by way of a decision by the board of review under the Farmers' Creditors Arrangement Act, and if it is in the interests of the farmer to have a loan to consolidate his position, the farm loan board, dealing with that specific case on its merits, and considering the surrounding conditions of which I have spoken, would be justified in giving the loan to consolidate his position.

Mr. VALLANCE: Is this $90,000,000 to be available only for new loans? If it is available only for new loans, I would point this out. The individual who to-day is availing himself of the provisions of the Farmers' Creditors Arrangement Act is the very one, at least as I gather from the minister, who cannot avail himself of the Canadian Farm Loan Act. It is the man who to-day is indebted to the mortgage companies, the banks and the machinery companies who needs the full protection of the provisions of the Farmers' Creditors Arrangement Act and if it is not applicable to him, the whole thing is futile so far as that type of farmer is concerned.

Mr. RHODES: If my hon. friend in the calm of to-morrow will read in Hansard what I have said, I submit to him in all fairness that he cannot place upon my words any such interpretation as he is endeavouring to make. I will repeat the statement I have made twice in the last twenty minutes, namely, that each individual loan will be considered upon its merits, and the decision of the farm loan board will be made with respect to the merits of each individual case. There are no limitations imposed upon that statement.

Mr. BEAUBIEN: May I ask the minister a question? Last year parliament put upon the statute books the Farmers' Creditors Arrangement Act, thereby creating machinery whereby the farmer who is indebted may go before a receiver, put in a statement of his affairs and make a proposition as to what percentage of his indebtedness he thinks he will be able to pay. This naturally would be based upon the whole production of his land. If the creditors and the debtor cannot agree to readjust the indebtedness, then the farmer makes application to the board of review, which is another piece of machinery created by parliament in order to readjust the debt of the farmer. The board of review is composed of responsible men, one a judge, one representing the farmers and the third representing the creditors. After the creditors and the debtor fail to agree, suppose the board of review arrive at a composition of the farmer's debt and say it is to be reduced forty or fifty per cent—and as I understand the matter, when that composition is registered or accepted by the court, it becomes binding—does the minister not think, after the board of review has readjusted the debt of the farmer and this composition has become binding on all concerned, the farmer, under the provisions of the bill which will be founded on the resolution we are discussing here to-night, which is another piece of machinery created by this parliament to effect a readjustment of farmers' debts, should be able to come to this farm loan board and say: This is my debt that has been adjusted by the parliament of Canada; am I not entitled to get a loan to cover this indebtedness as it has been adjusted by the board of review? That impression was created by the acts passed last summer. The Farmers' Creditors Arrangement Act created the impression in western Canada that a farmer could get his indebtedness readjusted provided that he put his cards on the table and was honest about the matter. The impression prevailed also that by the amendments of last year to the farm loan act, after an adjustment of the farmer's debts had been made either voluntarily by the creditors and debtor before the receiver or by the board of review, he could go to the farm loan board and get this money. That impression prevails in western Canada to-day. I am not criticizing what the minister said to-night. Probably he is sound in what he said, but what he said to-night is

certainly going to disappoint many people who were expecting a great deal. Whether they were expecting too much or not, I do not know. That impression however exists in western Canada and after these amendments are made to the Farm Loan Act increasing the amount available to $90,000,000, the impression will be even stronger than it has been in the past.

Mr. RHODES: The hon. member for Provencher is no doubt cognizant of conditions in his constituency and its immediate neighbourhood. He may be accurate when he states that the farmers with whom he has had contact were of opinion that there was a sort of pool of credit or of money into which they could dip freely. But let me point out to him this fact, which has been very widely overlooked, namely, that under the Farmers' Creditors Arrangement Act actual settlements have been made not in dozens but in hundreds, including some in the constituency of my hon. friend, which did not call for a dollar of new money and which were made with the full concurrence of the debtor and of the creditors.

Mr. BEAUBIEN: Will my hon. friend say—

Mr. RHODES: Will my hon. friend be good enough to retain his seat and allow me to answer one question at a time? Apparently I find it difficult to make myself clear, although I had hoped my knowledge of the English language was sufficiently good to enable me to do so. My hon. friend is in error in assuming that of necessity a settlement by the board of review under the Farmers' Creditor Arrangement Act involves fresh borrowing. In the great majority of cases fresh borrowing will not be required at all; this settlement means that after the board of review has adjusted a debt upon a basis which it feels is fair to the debtor and creditors, that farmer is in a far better position than he was in before. If, by virtue of that settlement, new money is required which is not available from the debtor himself, in that event he can resort to the farm loan board and as I said before, whether he secures the money or not will be dependent upon the merits of the individual case. I am inclined to believe that in such circumstances the board will sympathetically consider applications of that character. But may I point out to my hon. friend that I have known cases where settlements to the satisfaction of all parties, have been effected before the official reeciver, which have resulted not only in a compression and a consolidation of the farmer's debt position but in a situation where the creditor himself has advanced either in cash or in kind a sufficient amount to place the farmer on his feet. It is my hope that this legislation will be resorted to only in those cases which cannot be met along the lines I have indicated. I trust in these observations I have left my position abundantly clear, having stated for the fourth time that the question whether a loan will or will not be advanced will be dependent upon the merits and the needs of the case according to the judgment of the farm loan board.

Mr. BEAUBIEN: I am sorry the minister when he replied to my remarks did not smile as he did in answering every other hon. member. I certainly do not want him to think any remarks of mine were intended in any way as criticism. I was trying to point out to him the impression which was created and which probably will be strengthened after the amendments are made to the act increasing the amount available. I agree with him that many adjustments were made before the receiver without recourse to the board of review and without any need for loan. Indeed, I know of some of them myself. Nobody has been more interested in the Farmers' Creditors Arrangement Act than I have since last session. But that impression, as I intimated to the minister to-night, certainly prevails in western Canada. I was and still am of the opinion that the machinery created by this parliament to do certain things must work in conjunction with machinery created to do other things, and the money to be provided by this bill should be available to take care of cases where money is needed whether the farm loan board or its advisory committee thinks so or not, after these readjustments have been made. The readjustments surely are going to be based on the present prices of commodities and the conditions under which we are living to-day. Where loans are needed in western Canada to consolidate the debts of the farmer at a lower rate of interest I still believe that this Canadian Farm Loan Act should take care of such cases.

Mr. MILLS: I wish to refer to a situation that exists in my immediate neighbourhood. About twelve years ago a neighbour of mine bought a farm at $13,000. A good down payment was made, and $7,000 has now been paid on the principal. In principal and interest the total paid to that landlord is nearly $11,000. There is owing on the farm $6,000 principal and about $1,100 arrears of interest. Taxes have been paid up for 1934. For some reason the purchaser was not keeping up his interest payments; therefore the landlord had

to take proceedings to get an adjustment. The farmer has applied to the referee under the Farmers' Creditors Arrangement Act and the referee has stepped in. That neighbour came to me a week ago last Sunday and was talking the matter over. He thought he should get settlement by paying $5,000 on the principal, the interest to be foregone. I said to him, "suppose you could get such an adjustment, could you get the $5,000 to clear up the mortgage." He said, "No, I don't know where I can at the present time." The following Monday the meeting of creditors was held, and I understand the man who holds the mortgage was the only creditor. The point I want to make is that if the government does not come forward and keep such men as that on the land, a good energetic farmer, where is there any chance for him to get the money? He cannot get it from private sources. Surely a farm that was worth $13,000 twelve years ago is a good risk to-day for $5,000; for I think all will agree that farm values now are at the lowest point in history.

That is only one of several cases I could give of farmers in my immediate neighbourhood who will have to leave their farms if they do not get some assistance. I appreciated very much the statement of the Minister of Finance that each case would be dealt with upon its merits. I agree that there are some farmers who would starve on the best farms and others who would do well on any kind of farm, and I think every application should be judged upon its merits. But I strongly recommend that farmers who are deserving be enabled to get a loan, and I hope some arrangement is made between the dominion and provincial governments that the rate of interest will not be over four per cent.

Mr. RHODES: As to the case cited by the hon. member for West Elgin, it must be borne in mind that the Canadian Farm Loan Act is not and never has been operative in Ontario. It will become operative there only when the present bill, if it is permitted to be introduced, is introduced and passed by this house. In the meantime inquiry must be addressed to the Ontario farm loan board, which operates under the laws of the province of Ontario. That is the only recourse he can have in that province so far as government borrowing is concerned until the Canadian Farm Loan Act is in operation there.

Mr. RHEAUME (Translation): Mr. Chairman, I wish to add a few words to the remarks of the hon. members who have addressed the house this afternoon on this measure. The hon. Minister of Finance (Mr. Rhodes) has explained the resolution he moved last Friday, and the press of the country has published his explanations. A representative in each province, a reduction of interest to four per cent, the elimination of the five per cent that the borrower had to invest. Yesterday morning, a farmer said he had read in the press about the advantages the amendments to the Farm Loan Act of 1927, would bring to the farmers. With those amendments, the provincial boards are to disappear and the whole business will be centralized in Ottawa. One could not find anything better to increase delays, and our friends will, I think, have plenty of time to expound on the hustings, during the election, the advantages those amendments to the law will bring to the farmers.

I have often endeavoured to obtain loans under this act. In one case, where I thought I had made good progress, it took a little over eight months. I know of a case where they came across after fifteen months. And, no doubt, with the proposed amendments, the number of applications will increase. The inspection of the farm cannot take place before the first days in May and, as applications will be numerous, delays will result. In the meantime, our good friends will travel through the country, before the election, and say: See what we have done for the farmers!

Last fall at a meeting of farmers at Contrecœur, the hon. Minister of Marine (Mr. Duranleau), told those present of the advantages this government had brought to the rural people; the famous Farmers' Creditors Arrangement Act, the amendments to the Farm Loan Act. But those who tried to get a loan under the terms of the amendments of 1934, did not get a cent.

Last summer I received a dozen applications for money. I see my good friend from Compton (Mr. Gobeil), who said in his remarks on Friday last, that many farmers were complaining of their requests being refused because politics had something to do with it. I must say that in St. Jean-Iberville, Conservatives are scarce. Out of the twelve who made applications for loans, I think eleven were Liberals, and not one got a cent. In one case, one farmer wanted a loan of $5,000 on a 240-acre farm, one of the richest in the province of Quebec, and he was turned down immediately. In another case, on a 120-acre farm, with a good brick house, good outbuildings and situated at a quarter of a mile from the village, without church or road fees, $3,000 were asked. Refused; the man was a Liberal. In another case, half a mile from the village, $2,500 were asked. Refused.

Mr. GOBEIL (Translation): Who was to blame?

Mr. RHEAUME (Translation): I don't know. However, a moment ago I heard the Minister of Finance (Mr. Rhodes) say, in answer to the hon. member for Provencher (Mr. Beaubien), that a farmer must be very highly rated to obtain money with which to settle his debts under the Farmers' Creditors Arrangement Act. When you wish to find fault with somebody, nothing is easier. I understand that the Minister of Finance is a good lawyer; he is in that respect about the equal of the Prime Minister (Mr. Bennett): he never commits himself. His answer, to my mind, is very wise; if the farmer's standing is very good, if he is a first class man, the board will probably consider his case. But he did not commit himself.

I read in the newspaper La Presse that, in the province of Quebec, one can get but 60 per cent of the assessed value of his farm while in the other provinces, one can obtain two-thirds. When the bill is before the house for consideration, I hope the Minister of Finance will tell us why the farmers of the province of Quebec can obtain but 60 per cent of the valuation of their farms.

On what will the hon. minister base his valuation? On the municipal valuation or on that of the board's inspector? I know personally that, in a few cases, the inspector for the St. Jean-Iberville district, a man of high standing, had fixed the valuation of a farm, a valuation that met with the approval of the Quebec government, but which was refused by Ottawa. An inspector of the central board was sent to fix the valuation; the loan however was refused.

When you talk of lending 60 per cent, I ask you: On what valuation? If you take the inspector's appraisal, and if, in a number of cases, he values the land at $15 or $20 an acre, 60 per cent on that will not amount to much: from $9 to $12 an acre. It would mean that, on a 100 acre farm, a farmer could borrow under this great piece of legislation from $900 to $1,200. When the bill is introduced, I hope the Minister of Finance will give us some explanation. If you take the inspector's appraisal, I can predict that the act will be a failure, as in 1934. I do not think there are five members from Quebec in this house who can say that two thirds or 50 per cent of the applications have been granted. In the electoral district of St. Jean-Iberville, eighteen applications have been made but not one has been granted. And we were told the new arrangement would give farmers a chance to borrow money! If there is nothing in the act by which the lending of a fixed amount of money is authorized, and if you leave that to the inspector's discretion, I think there is no sense in that. Inspectors appointed may not be any better than their predecessors.

The Canadian Farm Loan Act passed in 1927 proved to be very advantageous in 1928, 1929, 1930 and 1931; it was of some use in 1932; but since that time, it has rendered no service at all. A few loans have been made in the electoral district of St. Jean-Iberville at $40 or $45 an acre, which was a reasonable amount. But, when you come to lending 60 per cent on the basis of a valuation made by an appraiser who values the land at $20 or $25 an acre, I say the thing is perfect nonsense and you waste the time of this house by discussing a piece of legislation under which the decision is left to the discretion of inspectors who are, in a great many cases, political appointees.

Now I would like to touch upon that great Farmers' Creditors Arrangement Act. Much has been said about it. The Minister of Finance has just given notice that the period will be extended from 60 to 90 days. A lawyer practising in St. Johns, who has quite a number of cases before that tribunal, was telling me yesterday: "That is not of much importance; I have a case pending since last November; no tribunal has yet been organized; I asked for a postponement of 60 days and it was granted."

With this precious arrangement act, the government has absolutely killed the farmer's credit. No farmer is able to get $100 from a bank, but, before that act, two farmers could go to a bank and borrow money on a promissory note endorsed by one of them. What I am telling you now, I learned from three managers of our banks in St. Johns, where we have branches of the Banque Canadienne Nationale, the Royal Bank of Canada and the Canadian Bank of Commerce. The managers have received instructions not to lend a single cent to farmers. The farmers' credit has been completely ruined.

I know the proposed amendments may have their good points; but, if you want practical legislation, you necessarily must fix a minimum valuation per acre. Otherwise, your legislation will be worthless, because, if you leave the valuation to the discretion of inspectors, it will certainly be a failure, like all the rest.

Mr. GIROUARD (Translation): Mr. Speaker, the fact that the suggestion made by the hon. member for Provencher (Mr. Beaubien) has not appealed to the honourable minister of Finance (Mr. Rhodes), is very unfortunate. If the government is really

anxious to help the farmers, I think that the Canadian Farm Loan Act and the Farmer's Creditors Arrangement Act should necessarily supplement each other.

As it is now, the Farmer's Creditors Arrangement Act operates as follows: a farmer appears before the receiver appointed by the government and files his statement of affairs. A meeting of the creditors is called for a certain date. If the creditors cannot come to an agreement, a compromise is out of question and then the farmer has the right to ask that his terms be submitted to the board of review. That board of review, as far as I know, has not yet operated in the rural districts of the province of Quebec, although the law is in force since the 1st of October, 1934.

The board of review has the power, under the provisions of the act, to compel the creditor or the debtor to accept the compromise that the board sees fit to determine. The board is composed of three members appointed by the government. The point raised by my hon. friend, the member for Provencher, is as follows: supposing that a compromise is arrived at and that it is approved by the board, where will the debtor find the necessary amount of money if it is agreed that a certain amount should be raised in cash? The only people a farmer can apply to in order to raise the money is obviously the Farm Loan Board. Without a Farm Loan Board, the only compromise a debtor could offer would be by way of instalments. The farmer having come to terms, and being compelled to make some payments at a more or less distant date, I am afraid he will not be in a position to do so and, under the act, if he does not comply with the terms of the arrangement, that failure is tantamount to bankruptcy and his property is sold by the receiver. Consequently, the necessity of giving the farmer the means of raising money by way of loans and to come to terms on a basis of a cash payment, which is of course a much better arrangement than an instalment plan, is apparent. As I have already said, the Farm Loan Board, and nobody else, can supply him with the necessary amount of money. I respectfully submit that, if the government wishes to see those two acts fairly and efficiently applied, the honourable Minister of Finance should amend the Canadian Farm Loan Act so as to compel the Farm Loan Board to advance to the farmers the amount required under the arrangement approved by the board of review.

Mr. HOWARD: Hear, hear.

Mr. GIROUARD: However, it is my own opinion. And, judging by the cases that came to my notice, in my district, such is the only practical way to be fair both to the creditor and the debtor.

If you will allow me, Mr. Chairman, I will mention a case to the minister of Finance. I think it was the only case, in Drummond-Arthabaska, which was settled by the receiver. I am ready to admit, however, that there might have been arrangements which did not come to my notice. A farmer went to the receiver's office; he had debts to the amount of $1,500. His creditors accepted a 50 per cent arrangement, payable in December 1935. At that time, that man will have to pay $750 to his various creditors. If he does not pay, that will be a case of bankruptcy under the act and his property will be sold by the receiver. If this farmer is to avoid ruin, Mr. Chairman, there must be an organization which will lend him the amount needed to keep him on his farm.

Cases similar to this one are quite numerous, and I was glad to hear the suggestion made by the hon. member for Provencher. I wish I could be satisfied that these two acts are not on our statute book purely to remain there inoperative. Our farmers are actually in need of money, they must have credit, and if the government is willing to give them that credit, it is absolutely necessary to amend the Canadian Farm Loan Act, as I was saying, so that the Farm Loan Board would be obliged to make necessary advances when an arrangement is made and approved by the board of review.

Mr. LUCHKOVICH: The minister mentioned three factors which would have to be considered before loans could be made, namely the character of the applicant, the productivity of his land and the value of his assets. I believe he mentioned the further factor regarding the applicant's ability to pay. I understand the purposes for which money would be loaned would be to pay off existing liability, to fence, to drain, to improve and to buy new lands and other purposes to which the board may agree.

In trying to explain the act a member of parliament is placed in a difficult position, because while hon. members may think they know all the sections, when they are asked by their constituents to make explanations they find themselves unable to do so. The minister said each case would be dealt with on its own merits. A statement such as that may be comparable to some of the replies we receive from the departments in the form of

stereotyped phrases such as, "We will take the matter into our serious consideration." I once wrote a letter to a department and received that reply. I have waited three years, and I suppose they are still taking the matter into their very serious consideration.

I know about a farmer who has two sections of land, and owes only about $300 on it. I believe he owes about $130 arrears in taxes. The man told me that when he went to the farm loan board in Edmonton he was told that unless his debts were $1,000 or over he would not be given a loan, under the act. I notice a section in the act which states that loans may be made to farmers in good standing. The question is: Which farmers are going to get the loans? The act is so enshrouded with mystery that people like myself have found it very difficult to gain any information which might be of benefit to our constituents. I should like to know what loan the man I have mentioned could get under the farm loan act. I find myself in very much the same position as other hon. members have described, namely, that I have not sufficient information to advise my constituents who ask for loans.

Mr. RHODES: May I say in all kindliness and without any desire to offend that we have discussed this resolution two days and we have not had an opportunity to introduce the bill so that hon. members might consider it. I submit in all fairness that questions might be asked to greater advantage when the bill is before the house and hon. members have had an opportunity to peruse it. It will be better to have the bill introduced than for hon. members to be putting hypothetical cases to me before its introduction. I am not finding fault with the hon. member, but I cannot answer the hypothetical question he has answered. He has said he was told a certain man went to get a mortgage and received the reply that he would have to borrow $1,000. I cannot be responsible for what a man is told, by whom, I do not know. All I can say to the hon. member and to the committee is that there are loans of $500. In the past the farm loan board has not desired to make loans smaller than that amount, although I do not know there is any prohibition or any actual fixation of amounts. The hon. member will understand that in the very nature of things the costs of inspection, costs in matters of title, costs for bookkeeping entries and so on, are as high in connection with a small loan as they are on larger loans. A loan of $500 is not so attractive, from the standpoint of administration; nevertheless there are those smaller loans. The hon. member will realize we are now amending the farm loan act and he must not draw conclusions with respect to the manner in which the act should be administered, when the dominion board is solely responsible, from circumstances which arose at a time when there was divided authority through the operation of provincial boards.

Mr. REID: The other day when the matter was under discussion I made some general remarks regarding the application of the act in British Columbia and at that time made some suggestion as to changes which I believed should be made to the act as it affected the farmers in the lower Fraser valley. I rise at this time for two reasons. This afternoon when the minister made reply he omitted replying to one or two of the suggestions I had made, and which I feel are vital to the people in that part of the country. Of course, I am not finding fault.

First of all I should like to deal with some of the statements made by the minister this evening. I do not wish to misquote him, but I gathered from his remarks that he was endeavouring to tell the committee it was the man himself who was viewed as to his ability to pay and as to whether or not he would be a good risk. I cited two cases in my previous speech and I am going to mention another now in an endeavour to show the minister that the man in this case did not enter into it at all.

A man with a $9,000 mortgage on his farm from a loan company was told that if he could put up $4,500 cash they would call it square. He applied to the official in charge at New Westminster, but owing to the regulations of the board he could not come under the farm loan act. I am going to repeat what I said on a previous occasion, because it is very important. In British Columbia it takes between $250 and $400 to clear one acre of stump land. It is probably not worth that much after it is cleared. But is the government going to take the position through the board that after a man by his own labour and capital has cleared it, the total valuation of that acre shall be only $100, and on that total valuation a loan of fifty per cent shall be made? That occurred in the case of the $9,000 loan. The man did not enter into the picture. I am endeavouring to bring to the attention of the minister this fact, that unless some change is made whereby the valuation is raised, the present amendments to the act will be of no material benefit so far as the lower Fraser valley is concerned.

The minister also spoke of the numerous applications that had been made for loans.

I took it upon myself to visit the official a few times to find out how the act was working. I might say I was very much in accord with the Farmers' Creditors Arrangement Act at the time, and told many farmers who had asked me for my opinion of it that I believed it would bring them relief. Well, Mr. Chairman, the official in charge informed me that ninety-eight per cent of the applications made to him before I left for Ottawa should have gone direct to the farm loan board. That is his statement, and when the minister says that he has thousands of cases that have been settled—

Mr. RHODES: No, I said hundreds.

Mr. REID: Well, let us take it at that, hundreds of cases; it will be interesting when we consider the bill to hear how many cases in the lower Fraser valley have been settled. I know the act has been in operation only a short while, and I am not over-critical on that account, but I would urge upon the minister that the peculiar circumstances in the lower Fraser valley should receive some consideration, and amendments should be made to the act to care for the farmers there.

I well remember when such a measure as this was being discussed in the various farmers' institutes in 1927. It was thought desirable at that time to advocate such a measure, and pressure was brought to bear upon the then government to have such a measure introduced in the hope that it would take care of many of the small men, the five or ten acre men. Now it is hopeless for men in that class to obtain a loan from the board. They are told that they are not farmers. I think that situation should be looked into. I discussed this very question at the last session when the Farmers' Creditors Arrangement Act was being put through and the word "farmer" was being defined. But there is not the same definition in the farm loan act, and speaking on behalf of those farmers in the lower Fraser valley I think the minister should consider an amendment so that small holders may be brought under the farm loan act and be able to take advantage of its provisions. I do not think that is an unfair thing to ask, because, as I have pointed out, the conditions there are peculiar to that province. Again I would urge that the valuation be raised, especially in British Columbia. A valuation of $100 is far too low and excludes many farmers.

I dispute the minister's statement that the man himself is considered, and not his assets. In conclusion, I would again ask the minister to consider seriously these aspects of the question which I have raised as affecting the part of the country from which I come.

I was pleased to hear the minister speak about the five per cent stock, and to hear him say they were going to consider giving that back. In a meeting in which this question was discussed prior to my leaving home, when some twenty-five farmers who had loans met together, it seemed to be a very sore point with them that they should have to pay interest on capital which they had never received, and I do hope that some credit will be given to the farmers on that account. I would point out in passing that these men felt it was unjust that they should be asked to pay interest on money on which the board itself had not paid interest; because it will be remembered that for the first few years after the act was introduced, the board received loans of money from the dominion government on which it was not called upon to pay interest. I do hope that before the bill comes down the minister will give his careful consideration to these questions I have raised.

Mr. RHODES: My hon. friend from New Westminster was good enough to say that he disputed my statement. Of course, he is at liberty to do so, but he is not at liberty, I submit, to attempt to prove he is right by a set of facts that have no bearing whatsoever on the minister's statement. He is dealing with past conditions; I was dealing with the administration of the new farm loan act under the new set-up, and therefore I say that my hon. friend is on ground that is untenable. It will be time enough to dispute my statement after the act has been in operation and it is seen whether it works out in conformity with the statement of the minister.

My hon. friend's first complaint was with respect to valuation. That does not require an amendment to the act at all. It is purely a question of administration.

I told him of the attitude that one should assume with respect to the character of a risk, and I repeat that the moral character of the applicant is of far greater importance than the physical value of his assets in land, buildings and machinery. What I said was that if I were lending money, that was the attribute to which I would attach most importance, and I believe any well regulated farm loan board and any official operating under it would have that in mind. My hon. friend has also complained that the definition of farmer is not wide enough. It is an old maxim that hard cases make bad law, and you cannot make amendments to this act sufficient to allow

every man who poses as a farmer of sorts to crawl within its four corners. That would do far more harm than good. There will always be borderline cases even if you embroider the description of farmer. Having said so much, I am not averse to considering a different definition of farmer, if that should be thought desirable. As a matter of fact I am inclined to think that the definition of farmer in the Farmers' Creditors Arrangement Act is a better definition, and as at present advised I would not be averse to considering an amendment to the definition when we introduce the bill, if we are permitted to do so during the present session. When we get into committee on the bill I shall be very happy to consider a revision of the definition. The term "farmer" is defined in the Farmers' Creditors Arrangement Act as follows:

"Farmer" means a person whose principal occupation consists in farming or the tillage of the soil.

I think that is a very fair definition and one which on the whole is calculated to do far greater justice to the farmer than if an attempt were made to refine language to the point of including this, that and the other person, and by so doing exclude, under the well known rules of construction this, that and the other person, who might not be specifically designated but who under a general description would be more apt to be designated as a farmer than not.

Mr. POULIOT: Reading the paper to-night, I saw an article signed by Mr. Albert Rioux. I understand he is one of the commissioners appointed under the Farmers' Creditors Arrangement Act, and the Minister of Finance should remember his appointment. Now, if I am not mistaken the commissioners are acting rather in a judicial capacity.

Mr. RHODES: We are not discussing the Farmers' Creditors Arrangement Act.

Mr. POULIOT: No, but my hon. friend was speaking about it, and these matters are all connected, so much so that this commissioner under the Farmers' Creditors Arrangement Act writes articles in regard to farm loans. He is a very fine fellow and I wrote him a letter congratulating him on his competence, though it was as to his theoretical competence; I did not go further than that. It seems to me that there is a want of dignity in a man who holds an appointment from this government to act in a judicial capacity to be writing articles in several papers for propaganda in regard to the farm loan business, and I do not know whether he does so under the instructions of the Minister of Finance. Did the hon. gentleman give him authority, after his appointment, to take advantage of his high function to write some propaganda favourable to the government? This I should like to know. I have no objection to his appointment, but I have the greatest objection to his writing articles with political tendencies when he receives a salary from the crown to act in a judicial capacity. The Minister of Finance, who is a lawyer of very high standing, having appeared very often before the bench, will surely admit the soundness of that proposition—I mean mine, not his. As Minister of Finance, as guardian of the exchequer of the country, he will not tolerate for a moment, I am sure, that a man whom he has appointed to act in a judicial capacity should canvass anyone through the press or otherwise on behalf of this government. It is exactly the same as if a judge appeared on the hustings making political speeches. Everyone would object to that, and I object to the practice of this gentleman. I repeat, I do not object to the appointment of Mr. Rioux, though he has very strange views upon certain matters; but I do object strongly to the kind of articles he writes in the press, and there is no reason why that should continue. If he wishes to write articles in the press, let him resign, as my hon. friend from Charlevoix-Saguenay rightly says. He is free to do so, but so long as he holds an appointment with a salary from this government he has no right to use his high function to canvass the people of his province on behalf of this or that party.

May I say to the minister also that even if this gentleman, Mr. Rioux, were writing on behalf of the Liberal party, notwithstanding the fact that he holds his appointment from this government, I would strongly object because it would derogate from the dignity which we expect in a magistrate who has to settle the difficulties that exist between farmers and their creditors.

There is something else. The amount which was supposed to be loaned to the farmers was previously $15,000,000 and now it is $90,000,000, six times as great. Is it because the farmers' position is now six times worse than it was a few years ago? Is it because the farmers have six times less money that we have to lend them six times more than we lent them before? I said a word or two just before adjournment in this connection.

Let me quote again some figures for the information of the Minister of Finance. He is not making a gift to the farmers and he knows it very well, because he said that they would have to refund the money advanced to

them. It will not be a gift; it is just a life-buoy that he is throwing out to them until better times come. Last year some figures were submitted to the house—official figures—with regard to the decrease in exports of farm products. Those figures are astounding. The external market has been lost to the farmers of the country. The Prime Minister has said very often, "We have retained our local market; the farmers can trade within the high walls of the tariff which I have erected around this country". Very well; what was the decrease? In home consumption of farm products in one year as compared with another, in the year 1932 compared to the year 1930, we find that it amounts to a loss of over $440,000,000 to the farmers. They have lost money on all their sales, and more than that, they have no market. No one can buy their products, and in my constituency I know some farmers who have hundreds of bushels of good potatoes which they have to sell at fourteen cents a bushel because there is no market. Why have they no market? Because the people have no money. They have not money to pay even fourteen cents a bushel, and if the farmers sell potatoes at that price they get no benefit from it. One farmer told me that if he raised calves in accordance with the instructions given by the departments of agriculture both federal and provincial it would cost him $15 a calf, and he would receive only $5 from the butcher, or a net loss of $10. Is it surprising that the farmers asked for protection? They were promised protection in 1930, when the then leader of the opposition said, "We will protect you, working men and everyone else". What sort of protection did he give them? He gave them an umbrella with bare wires, but that is no protection against rain. And now that the farmers' trade has been destroyed by the insane policy of the government, my hon. friends are giving them a raft on which it is impossible for all the farmers to find a place. That is all there is to it, but in the election I am sure the Tory candidates will say to the people, "Look how generous this government have been: they are lending you money to help you through this awful crisis which is international, and which came upon us in spite of the efforts of the Prime Minister and his wonderful government to save you from despair. Cheers." They know and they judge more fairly than the government can do. They know their own business and they know very well the government cannot do enough for the farmer. What the government should do is to put the farmers on their feet not only by lending them money now but—and this is an obligation on the government—by giving them a chance to trade, by giving them an opportunity to sell their products at a reasonable price. The Minister of Finance knows this very well. Everyone on the other side as well as everyone on this side knows it; everyone in the country knows it. This should have been done, yet it is not done. Why? On account of a lack of courage because Canada has been following a policy which is silly, which has destroyed the free flow of trade, and the government will not change its policy. I know very well if the Minister of Finance were left to himself he would decide differently. He comes from a broad-minded province, a beautiful province on the Atlantic, dear old Nova Scotia, and he knows very well in that dear old province free trade is very popular—free trade with Boston. He knows very well there are lines of steamships between Yarmouth and Boston, Halifax and Boston, Nova Scotia and the United States. Those people want to trade; they are ready to buy from others provided those others buy from them. I am sorry that the Minister of Finance, for whom I have great regard and respect, as he knows, has not the courage to do what he should. Why does he not throw this policy overboard and give an opportunity to the Canadian people, to the farmers, to sell their products, to trade not only within Canada but with the outside world?

Mr. MULLINS: It is not my intention to speak at length on this matter because the farm loan act is quite satisfactory to those of us in western Canada who are not sitting in the opposition. I have had a farm in the west for more than fifty years, and I know something about farming conditions. From where I am standing here I saw, until a few minutes ago, a farmer who sold his crop last year for over $20,000. He was a farmer. I am glad the minister has defined as a farmer a man who lives on the land and works on the land—not an agriculturist. I do not know whether the previous speaker is an agriculturist or a farmer. An agriculturist is one who lives in the city and spends his money out on the farm. I served on three boards in the city of Winnipeg and when we passed on a loan we passed on the ability of the man to pay and on the ability of the farmer to farm. A man who left his threshing machine out all winter with the result that it was in such shape that in the spring he had to pay $72 for repairs would not get a loan. I would like the ex-Minister of Agriculture to listen to this. He made the statement that before he could thresh he had to pay $72 for repairs to his threshing machine. If he left that threshing machine out all winter and it was in such a dilapidated condition as he describes,

that is like the situation on some of the farms that I have seen in western Canada; people who will do that sort of thing are not farmers at all.

Mr. MOTHERWELL: The machine was in a sod shed.

Mr. MULLINS: Half of such people are not farmers at all. If I were to serve in an advisory capacity to the minister, unless a man had an implement shed I certainly would not make a loan to him.

Mr. MOTHERWELL: This machine was in an implement shed.

Mr. MULLINS: I shall not say what I was going to say in regard to Melville and the hon. member's farm. I shall keep that back; at my age, I do not think it is policy for me to say anything personal, because we are both getting along in years and I would not like to say anything derogatory. But there are poorly kept farms in western Canada. If you drive up to the doors of some of the farms you will find the hog pen in the front of the house; they believe in sociability. If you look around you will see the machinery scattered all over the farm. I would say to the minister: No, I would not make a loan to that man under any consideration. One has to be an expert to study and judge a man and to look over his farm as to the weeds and his ability to farm before granting a loan, and I was glad to hear the minister make the statement he did.

We want some relief from the high rate of interest that we have been suffering under in the west. I say this emphatically; I left three boards in the city of Winnipeg for the simple reason that they were extracting eight and nine per cent from the farmers. I told them that their loan was of very little use; that some day they would pay the price, and to-day they have quite a number of those frozen assets on their hands. A moderate rate of interest, five and a half or six per cent, will help the farmers of western Canada, and any true westerner who is not sitting over there merely for the sake of opposing will agree with what I say in that regard. I am sure that there is an honest endeavour on this side of the house to do what is right by the farmer. I will stay with a man when he is right and I will quit him in a minute when he is wrong; so I am in agreement with the purpose of the legislation now before us in regard to the farm loan board.

Mr. PARENT (Translation): Mr. Chairman, at this stage of the discussion on the amendments to the Farm Loan Act, I think it is my duty to add a few remarks. The government, by this resolution, wishes to increase the amount loaned to farmers and to reduce the interest rate. In principle, I certainly do not oppose those amendments, but I think it is a premature step. Has the government taken into consideration the opportunity to answer incessant requests, not only from members of the opposition, but from our financiers, economists, bank managers and, shall I say, from the Minister of Finance (Mr. Rhodes) himself, who to-day moved this resolution to amend the Farm Loan Act? It is proposed to decrease the rate of interest to 5 per cent, if I am not mistaken. The former rate of interest was 6 or 6½ per cent, but has the reduction in the rate of interest been proportioned to the decrease in the price of agricultural products? To-day, when the farmer is lucky enough to sell his products, he gets 50 per cent of what he was receiving 5 or 6 years ago. The rate of interest should be proportioned to the prices he obtains for the sale of his products. If the government wanted to be really obliging to the farmers, he should offer them money at 3 or 3½ per cent, and that would be more in proportion to the profit which the farmer gets from the sale of his products.

On the other hand, the amount made available to the farmers is raised from 70 to 90 millions of dollars. But have you considered that the sum thus made available will have to be paid back? How is the farmer going to pay this money back? He will have to raise this money on his property and pay back capital and interest sooner or later. If, in the meantime, the government follows the policies to which it adhered these last few years, in what condition will the farming community be in five years,—assuming that the present government is still in power, though I hope they will not be. The farmer will neither be in a position to refund the capital, nor to pay the interest. And, on this point, Mr. Chairman, I will direct my remarks.

I read with a great deal of attention the speech of the hon. Minister of Finance before the Young Men's Canadian Club, on December 29 last. According to the French report, here is what the minister said:

> ... although international trade was still stagnant, Canada's foreign trade for the year just ended had amounted to $1,150,000,000.

I infer from the minister's statement that he considers there is enough trade to sell our products in Canada. The hon. minister did not see fit, on that occasion, to draw the attention of his hearers upon the fact that a loan to the farmers would help them greatly and would enable them to face the depression and to overcome the difficulties

in which they are now. The hon. minister says that international trade is stagnant. Yes, trade is stagnant. And why? Because foreign markets are not open and do not allow us to sell our products.

The hon. Minister of Finance is not the only one to hold that opinion. I am going to quote the statement made by the general manager of the Bank of Montreal, at the 117th annual meeting of that financial institution, the most important in Canada:

> The bank deposits could easily finance a much larger amount of business. Until the tendency toward restrictive legislation on business is more clearly defined, and until the uncertainties in connection with international relations have disappeared, business will improve somewhat slowly.

It would seem as if the hon. Minister of Finance and the general manager of the Bank of Montreal had consulted each other to fix a very short delay and that they both have the same idea about the present condition of the country, namely, that "international trade is stagnant and that business will improve somewhat slowly," so long as there will be no markets.

That leads me to say, Mr. Speaker, that before proposing to lend money to the farmers at a low rate of interest and making them believe that they are waiting for them with open arms and that they are ready to help them, the government ought to increase the purchasing power of the people. In the second place, the government, through the medium always expressed in this house and elsewhere, ought to give some work to the people, that is to the industrial workers, in order that they may earn, and thereby have a purchasing power that would facilitate the sale of farm products at more remunerative prices than at present.

Furthermore, we must increase the purchasing power of the farmers themselves, by providing them with the means of selling their products at higher prices.

How, I repeat, will the farmer be able to meet his obligations and pay his interest charges so long as he remains in the situation where he finds himself to-day? Before offering loans to the farmers, we should seek to restore his income.

Figures are not always pleasant to listen to, but it is absolutely necessary to place figures before the people of this country in order to show that we are to-day in an abnormal situation by reason of the policies heretofore followed by this government in bringing down measures unsuited to the present state of affairs and neglecting more suitable ones which should be introduced immediately. As I have just said, in order to bring back a normal situation, it will be necessary to increase the purchasing power of the people employed in our factories. In 1929, the working class of Canada drew $813,000,000 in salaries and wages; to-day they draw only $500,000,000. If this difference of $313,000,000 returned to circulation, retail trade would benefit, the farmer would sell more of his products and there would be less privation in the homes.

How is this working class to find revenue and how is the purchasing power of the people to be increased?

We must find markets abroad. It has often been said, and it is still often said, that the Ottawa agreements have been a great improvement. I am not prepared to say they have not improved the situation, but have they brought it back to normal? If we look at the situation with respect to our trade with foreign countries, that is to say with countries outside the British Empire, we readily see that, in spite of the improvement due to the Ottawa agreements, our world trade is not fifty per cent of what it was in 1929, when conditions were normal and world markets were open to us. At that time, the sale of farm products was more profitable; farmers were in a poistion to meet their obligations and the government of that day would not have thought for one moment of offering them loans.

Now, I want to say, Mr. Chairman, that, even supposing that these loans will be very useful to a number of our farmers, only those farmers who own land of a certain value will be in a position to benefit thereby. Half of our population are farmers. Has the minister made a survey of those who might be able to take advantage of that act? I think not half of our farmers will. Then the act will be of any assistance to only fifty per cent of the people who are supposed to be benefited under the act. Farmers having lands of exceptional value will benefit, but the government will say to the less fortunate that their application will not be considered and those farmers will derive no benefit from this act. But we ought to be able to assist the great majority of them.

We must accept the principle of this bill, but I think the Minister of Finance might have suggested to the Prime Minister and members of the cabinet the necessity of bringing down a bill which would have changed the present situation by opening markets abroad, so that our farmers could sell their products at better prices, and be in a position to meet their obligations, and repay principal as well as interest on the loans they are now offered by the government.

Mr. ELLIOTT: There is just a word that I should like to leave with the minister for his consideration. First let me refer to the point that was touched upon by the hon. member for New Westminster, namely the question of small farms. The part of the country which I represent contains a number of these. I think there should be provision, either in the regulations or by a change in the bill, by which an applicant making application for a small loan on a small farm should have to pay less for appraisal and expenses than would be charged on a larger loan.

As to the question of anticipated payment, I take it that that is practically covered by the act is it stands. If it is not, I ask the minister to leave no doubt with regard to the right of the mortgagor to pay off the principal without notice and without bonus at any time.

Then as a final word at this stage—because I expect to have an opportunity of saying something on the second reading—I suggest that the act be amended where it now provides for long term loans. I believe that better rates can be obtained for short term loans. If I read the act correctly the only power given as it now stands is to lend for long terms. I suggest that serious consideration be given to revising that clause so that short term loans may be provided for. I might say that in the mortgages I have drawn, and I have drawn a good many in my time, five years was the usual term, and they all contained the proviso that any amount of principal could be paid off on interest dates. That is a wise provision and I hope the minister will see that such a provision is contained in this bill.

There is no doubt about the fact that you cannot lend money to everyone who wants it, or in the amounts that may be requested. I quite agree that the character of the applicant is many times more important than the security on which the mortgage is placed. But I again urge the minister to have some provision in the mortgage that whatever interest is charged above four per cent, if any, shall be forgiven provided payment is made promptly. I do not think you can insert a provision for penalty for not paying promptly, but if payments are made as they fall due there will be little if any loss to the country by lending to reliable parties at four per cent.

Mr. RHODES: My hon. friend will appreciate that I would not wish to assume the responsibility of stopping the passage of this resolution now; therefore I shall reply to what he has said in committee of the whole.

Resolution reported, read the first and second times and concurred in. Mr. Rhodes thereupon moved for leave to introduce Bill No. 15, to amend the Canadian Farm Loan Act.

Motion agreed to and bill read the first time.

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

Wednesday, February 6, 1935

The house met at three o'clock.

QUESTIONS

(Questions answered orally are indicated by an asterisk).

BULLION TAX—PROCEEDS

Mr. CAMPBELL:

What is the amount of revenue received from the bullion tax levied on the gold producers in each of the provinces each month since the tax was put into effect?

Mr. RHODES:

Date	Ontario	Quebec	British Columbia
1934—	$	$	$
April	96,035 56	14,661 57	—
May	536,130 08	38,936 77	21,147 66
June	542,514 42	165,086 42	24,152 40
July	555,008 06	50,330 57	26,045 40
August	553,924 20	74,528 30	32,352 43
September	500,442 32	57,271 23	42,040 80
October	518,284 34	103,692 41	26,601 03
November	515,202 69	70,581 35	35,495 75
December	463,518 78	65,808 97	36,112 81
1935—			
January	586,641 90	93,076 98	38,086 00
	4,867,702 35	733,974 57	282,034 28

The above totals are subject to adjustment in respect of income tax.

LA BAIE DES HA! HA! QUE., HARBOUR MASTER

Mr. ROBERGE:

1. Who was the first harbour master of the harbour of la Baie des Ha! Ha! county of Chicoutimi?
2. On what date was he appointed?
3. On what date was he dismissed and for what reason?

Mr. DURANLEAU:

1. James W. Foster.
2. August 31, 1921.
3. He was not dismissed. On April 9, 1925, he tendered his resignation and it was accepted.

ROYAL CANADIAN MOUNTED POLICE PATROL BOAT

Mr. DUFF:

1. Were tenders called for by the government in 1934 or 1935 for a patrol boat for the R.C.M. Police?
2. If so, to whom was the contract awarded and at what price?

Mr. GUTHRIE:

1. Yes.

In 1934.—(a) Patrol boat Acadian. Contract awarded to W. C. McKay & Sons Ltd. Shelburne, N.S., $6,148.

(b) Birmal boat Advance—Contract awarded to the Crude Oil Engine and Engineering Co., Montreal, who hold the Canadian licence from the Birmal Boat Company, England, for building this type of boat. Boat built by the Canadian Vickers, Montreal, P.Q., $4,950.

In 1935.—Improved Acadian type (now building)—60 foot. Contract first awarded to Wm. Heisler, Indian Point, N.S., the lowest tenderer, but as he could not fulfil the terms of the contract, it was then awarded to the Shelburne Shipbuilders, Shelburne, N.S., the next lowest tenderers. Price $12,720, including sales tax.

QUESTIONS PASSED AS ORDERS FOR RETURNS

TRANS-CANADA HIGHWAY

Mr. MACKENZIE (Vancouver):

1. How many miles of the trans-Canada highway remain: (a) unconstructed; (b) partially constructed?
2. Of such, how many miles remain to be completed: (a) in Ontario; (b) in British Columbia?
3. What is the total estimated cost of completing the trans-Canada highway?
4. Of such total cost, what is the estimated cost in: (a) Ontario; (b) British Columbia?

BUTTER IMPORTS FROM NEW ZEALAND AND AUSTRALIA

Mr. MULOCK:

1. What were the quantities of butter imported into Canada during the years 1931 to 1934, inclusive, from (a) New Zealand; (b) Australia?
2. What were the prices of the butter each month during the above mentioned years at the Canadian port of entry?
3. What were the duties, dumping penalty, or other taxation imposed per pound each month during the above period?

Mr. CAHAN: Return tabled herewith.

BUILDING OF NEW ARMOURY IN MONTREAL

Mr. MICHAUD:

1. Has the federal government made an offer to the city of Montreal for the construction of an armoury in Baldwin park in the east end of that city?
2. If so, when was such offer made, through whom, and was it accepted?
3. Was the offer made subject to conditions?
4. If so, what are the conditions?

Mr. CAHAN: Return tabled herewith.

MOTIONS FOR PAPERS

NOTRE-DAME DE L'ISLE-VERTE, QUE.—WHARF ROAD

Mr. POULIOT:

For a copy of correspondence, reports, deeds, plans, sketches, relating to the building of a fence by the Department of Public Works last year, on the property of Mr. Dionne, on a road leading to the wharf at Notre-Dame de l'Isle-Verte, Quebec.

INVITATION TO THE U.S.S.R. TO ENTER LEAGUE OF NATIONS

Mr. POULIOT:

For a copy of the telegram addressed on or about the 15th September, 1934, by Canada and several other countries to the U.S.S.R. inviting it to enter the League of Nations, and of the signatures which were affixed to it.

RIVIÈRE-DU-LOUP, QUE.—WHARF

Mr. POULIOT:

For a copy of all correspondence, letters, reports, plans, concerning the extension to the wharf of Rivière-du-Loup, Quebec, since 1931.

PUBLIC WORKS, NEW BRUNSWICK

Mr. MICHAUD:

For a copy of all correspondence, letters, telegrams, and other documents, exchanged between the dominion government or any member or any department thereof and all other persons relating to the following items of schedule "A," chapter 59, 24-25 George V, the Public Works Construction Act: Item 19, Campbellton, New Brunswick, wharf repairs; item 32, Dalhousie, New Brunswick, post office; item 41, Escuminac, New Brunswick, breakwater extension; item 49, Fredericton experimental farm, New Brunswick, new dormitory; item 75, harbours and rivers (New Brunswick only); item 98, Moncton, New Brunswick, public building.

Mr. BENNETT: The hon. gentleman who makes the motion is not in the house. I wish to speak to him in regard to certain requirements.

Mr. SPEAKER: Stands.

BEAM TRAWLERS

PROPOSAL THAT PERMITS BE NOT GRANTED OR RENEWED IN NOVA SCOTIA

Mr. I. D. MACDOUGALL (Inverness) moved:

That, in the opinion of this house, in the interests of the fishermen of Nova Scotia, no permits should be granted or renewed with those who own and operate beam trawlers in the province of Nova Scotia.

He said: Mr. Speaker, although I am deeply interested in the subject matter of the motion standing in my name I do not know whether it would be parliamentary for me to proceed with it at the present time, because of the fact that it has been given very close attention by the committee on price spreads and mass buying, and on account of the fact that the question is somewhat controversial. All I desire is to have the question brought to the attention of the select standing committee on marine and fisheries, where I and every other hon. member will have the opportunity to discuss it fully and frankly.

Those of us who have given some thought and study to the historical background of the Canadian confederation realize that at the preliminary meeting held at Charlottetown in 1864, when the province of Nova Scotia was asked to join the Canadian union it was made a sine qua non by Sir John A. Macdonald that the control of the fisheries of the province should be vested in the central or federal power. That may or may not be generally known by hon. members, but it is a fact.

That was strenuously opposed by Sir Charles Tupper of Cumberland, who did not desire to have the control of what was then, and what still can be made, one of our most important industries vested in the federal power. Sir John A. Macdonald, however, with his prophetic vision, saw the possibility of a Canadian union. He looked ahead to the time when British Columbia would enter confederation; he knew, as we all know, that in dealing with the problems pertaining to the fisheries of British Columbia and Nova Scotia there would be divergent interests, and he considered it prudent, in a national sense, that the fisheries should be controlled by the central power. Eventually Sir Charles Tupper agreed with him and after the consummation of confederation the control of our fisheries was vested in the central power.

I realize that this is a controversial resolution; I realize that there are Conservatives and Liberals who will oppose it, but the fact is that so far as the fishermen of the island of Cape Breton are concerned their condition is worse than that of the industrial population of any other part of Canada. I make that statement advisedly, because I know whereof I speak. Only a few months before I went to the hospital I was in the county so ably represented by my tolerant friend from Richmond-West Cape Breton, the Minister of Finance (Mr. Rhodes), which was represented many years ago by my grandfather, first as provincial secretary in the legislature and later, after confederation, in the federal House of Commons. I found that in one district, where the people depend entirely upon the fisheries industry for the maintenance of life, there was dire distress on every hand. We hear a good deal about the right of workingmen to a living wage, but the most fundamental right of all is the right to live. I found that in that district they were not able to support a school, because the company that has control over these beam trawlers in the province of Nova Scotia has a monopoly. We might as well be fair and frank about it; they have a monopoly of the fishing industry in the province of Nova Scotia. There may be those who are spineless enough to disagree with me, but I think whatever may be said of me when I quit public life it will be agreed that I always had the spunk to say what I thought, whether a Conservative liked it or a Liberal liked it. To-day the fact is that we have a monopoly of the fishing industry of the province of Nova Scotia, and a United States controlled monopoly at that. These people dictate the prices of fish to the shore fishermen, when they can sell their fish, and in many cases they cannot sell it at all. Along the shores of the county so ably represented by my hon. friend from Cape Breton North-Victoria (Mr. Johnstone) last summer the price of hake was 35 cents a hundred pounds. I would be casting pearls before swine to talk about fish in this part of the country, but I can tell hon. members that you cannot get anything better to eat than hake. The fishermen go out at three o'clock in the morning and bring back two hundred pounds of hake, for which they do not receive enough to pay for the gasoline for their motor boat. That is a fact, and the same condition exists all along the coast of Inverness and Richmond. The very essence of a monopoly is the power to fix prices, and in Nova Scotia that power is vested in a United States controlled corporation.

I say there is an obligation on the part of this government to take some action. Something was done by the previous government; in 1927 a commission was appointed, consisting of eminent men, to investigate the fishing industry of the maritime provinces. I believe they went into this question fairly, dispassionately and without prejudice of any kind, and four of the five members of that commission agreed that the beam trawler should be abolished. Even Judge Maclean, although he dissented from the view of his colleagues, did not do so very strongly. It was proposed by the then government that a duty should be levied on beam trawler caught fish landed in Canadian waters, and that was done. Unfortunately it was by order in council, and that order in council ultimately was held by the courts to be ultra vires.

As a private member it is not open to me to move that a duty be imposed on beam trawler caught fish; everyone familiar with the rules of this house knows it is not competent for a private member to do so, but I would point out that after this commission heard evidence in different important fishing centres of the maritime provinces their findings were endorsed by Liberals, Conservatives, Progressives, Labour men, and everyone else. On consulting the record I find that petitions were presented to the commission, urging the abolition of beam trawlers, from many communities in both Nova Scotia and New Brunswick.

As I have said, Mr. Speaker, I know this is a controversial question, and I want to say frankly that I am not a socialist. I do not believe in the confiscation of private property. The fishermen of the maritime provinces believe to-day that by curtailing for a time the operations of the trawlers they would derive great benefit, and I believe it is the duty of the government to make arrangements with the beam trawler owners whereby operations of those boats may be suspended for two years. Give the shore fishermen of the maritimes a chance to live; that is all they are asking. They are not looking for doles, but are anxious and willing to work. They have a product which is needed right here in the city of Ottawa, in Toronto and in Montreal, one which is not produced on a competitive basis, as is coal, or some other commodities. If they are given any chance to make a living I will say that those fishermen in the maritimes will not want doles, or anything else. They are looking to this government, just as they have looked to previous governments for the right to live. I agree with what the hon. member for Antigonish-Guysborough (Mr. Duff) said only a few nights ago, namely, that never since the maritimes entered the Canadian union have the interests of the fishermen been considered, whether by a Liberal or a Conservative government. There has never been a proper appreciation of the importance of the industry to the people of Nova Scotia. The time has come when we should consider earnestly the measures to be taken to give these people a chance to live.

In my observations I do not wish to be provocative because I know there are those who will oppose the resolution. However if they become too strenuous in their opposition I shall reserve my right to reply. May I say frankly I am not looking for votes but have spoken in all good faith. I have no interest whatever in the fishing companies of the province of Nova Scotia, but I have a very keen interest in the fishing hamlets of that province. I say the population in those hamlets has in the past forty years been reduced by 47 per cent. It is time something was done by those under whose control the fishing industry was placed when the maritimes became part of the Canadian union. They should try to do something to see that these people are given their rights, and the right not only to work but to live. They can earn a profitable living if they are given the proper encouragement and opportunity, and if they have a chance to sell their fish.

I submit the house should consider carefully this question relating to the licensing of beam trawlers, and I would urge that the fishermen of that province can earn their own living without the dole or any other assistance if they are given the opportunities they were promised when in good faith the province of Nova Scotia entered the union.

Mr. WILLIAM DUFF (Antigonish-Guysborough): Mr. Speaker, with very much that the hon. member for Inverness (Mr. Macdougall) has said I am in accord. His resolution reads:

> That, in the opinion of this house, in the interests of the fishermen of Nova Scotia, no permits should be granted or renewed with those who own and operate beam trawlers in the province of Nova Scotia.

The matter of licensing or permitting trawlers equipped with what has been known either as a beam or an otter trawler is one about which there has been a great deal of controversy during the last few years. To-day however it seems to me that there is not so much reason as there has been in the past to fear this method of fishing.

In the beginning may I make my position clear. For some forty years I have consistently and without change opposed the method of catching fish by what is known as either a beam or an otter trawl. I have never changed that view, and my reason for opposing such methods has been that because of the operation of these trawlers a great deal of fishing gear belonging to ordinary deep sea fishermen has been destroyed, and in my view the feeding grounds of the fish have been harmed because the beam trawl runs along the bottom of the ocean. Then, in the operation of the trawls large quantities of small fish are either caught and brought to land to be used in the fertilizer plants or are thrown overboard after having been picked out from among the larger fish on board the trawler. Most of those fish are dead when they are thrown into the sea. Then of course there is the interference with the market of the offshore and inshore fishermen.

However, as I said a moment ago, I believe that at this time we have not as much cause for worry as we had a number of years ago. In his motion the hon. member asks the government not to renew licences to those who own and operate beam trawlers. I do not wish to criticize the manner in which he has put his motion, but I would remind him that there is no such thing as a beam trawler now being licensed by the federal government. I agree with him that when speaking about these vessels he no doubt had in mind the fact that the ordinary term used is the term "beam trawlers"; but they are not beam trawlers, they are what are known as "otter trawlers".

In order to clear the situation perhaps I may be permitted to give the history of this particular way of catching fish. I do so because there has been a good deal of talk among people generally and a great amount of worry among the fishermen regarding this method of catching fish.

As far back as 1839 the first vessels were equipped with what are known as beam trawls. These vessels operated in the North sea and adjacent to England and France. An arrangement was arrived at between the French and English governments whereby these vessels could fish only under certain regulations. At that time only sailing vessels were used to carry on this particular type of fishing. The beam trawl consisted of a large net at the mouth of which was a beam about forty feet long. As I said a moment ago, in those days only sailing vessels were used, and had not the beam been used it would have been impossible to keep the mouth of the net open to catch the fish.

Later, I believe in the year 1880, the fishermen of England and Scotland decided to improve the method of fishing, and as a result a man named Otter devised what is known as the otter trawl. That is the trawl now used by the steam vessels or trawlers running out of Nova Scotia and licensed by this government. The otter trawl still has the bag to catch the fish, but instead of having the beam or long piece of wood to keep the mouth of the trawl open it has two boards, and as the steamer steams ahead these boards keep the mouth of the trawl open so that the fish may come in. Although the hon. member mentions beam trawlers in his resolution I am sure he means the method of trawling adopted by certain vessels now licensed by the federal government.

Mr MACDOUGALL: It is a synonymous term.

Mr. DUFF: Fishing by this method has been developed to a great extent not only in Great Britain but in a number of foreign countries. The ships which fished in the first instance in the North sea have not confined their operations to those particular waters. After a few years fishing became so intensive that they were compelled to go further afield in order to get catches. These vessels now under the British flag, the Portuguese flag and the flags of other countries not only go as far as Iceland, but also come over on the grand banks of Newfoundland and other banks where our Nova Scotia sailing vessels operate during the spring and summer season. To show you, sir, the extent of the fisheries in those foreign countries, may I say to you that at present there are 1,229 large steam and motor trawlers operating out of England or under English registry; 347 from Scottish ports; 154 from Irish ports, 236 from Holland; 17 from Portugal; about 250 from France; 50 from Belgium; 1 from Denmark; 335 from Germany; and 184 from Sweden, making a total of 2,976 steam and motor trawlers. So you will see, Mr. Speaker, that in those countries this method of fishing is carried on to a very appreciable extent.

Now on this side of the water this method of catching fish by beam or otter trawl only started in 1905. During the years from 1905 down to the present, certain vessels have been operating, and they were first chartered by three or four companies in the province of Nova Scotia, being vessels owned in the old

country which were operated here in the early spring and then returned to their English owners some time in the fall.

Mr. BENNETT: May I ask the hon. gentleman a question, for information? Do any of these foreign trawlers come to our shores?

Mr. DUFF: In reply to the Prime Minister I may say that they only come to our shores for supplies. I think my hon friend from Cape Breton South (Mr. MacDonald) and my hon. friend from Cape Breton North-Victoria (Mr. Johnstone) will agree with me when I say that when these vessels come to Sydney or North Sydney for coal supplies or salt they leave a good deal of money in these places, but of course, as the Prime Minister knows, these vessels can only fish in international waters, and the only effect which these trawlers have on the Canadian fishing industry is that they destroy the gear of the ordinary fishing vessel anchored on the banks, because these trawlers operate by night as well as by day and cannot see where our vessels have their trawls moored; and they also help to destroy the feeding grounds where the fish come to the banks and where our fishermen go to secure their catch.

As I said a moment ago, in 1905 both Canada and the United States decided to adopt to a certain extent this particular method of fishing, and only last year there were 115 of these trawlers operating out of Portland and 49 out of Boston.

Our position to-day, I might say to my hon. friend from Inverness, is rather an enviable one. I want to say again that I have always opposed this method of fishing, and if I had my way there would be no trawlers operating from the province of Nova Scotia; but still, as my hon. friend from Inverness admitted in the last of his remarks, if something were done to prevent these trawlers from getting a licence, their owners should be compensated for the money they have invested in the industry. I agree with him as far as that goes.

For several years, as I have said, trawlers were brought from the old country and operated by Canadian firms. Several delegations came to Ottawa to interview previous governments in the matter. A delegation came to the Conservative government, I think in 1920, came from the county in which I live; and about three years ago another delegation came here protesting against the use of this method of catching fish. But if we look at the statistics, Mr. Speaker, we find that although there were some twelve trawlers in operation in 1908 and up to about 1930, there are now only two operating. Four licences were granted last year, but only two of these trawlers are operating.

Mr. SHORT: Three licences were granted last year.

Mr. DUFF: Three licences were granted last year, but only two trawlers are operating. The reason for that in my opinion is that the people of Nova Scotia have endeavoured in the last two years to look after this danger in their own way. I remember discussing this matter with a good many people. My hon. friend from Inverness said that he was not interested in the political aspects of the thing, nor did he have any money invested in the industry. I am interested and am looking after both aspects, because to a small degree I have a financial interest in the industry in the province of Nova Scotia. In discussing this method of catching fish by beam trawler with the people with whom I am interested, I used the argument that was adduced by the hon. member for Inverness. I said that the people in these various countries had invested their money in foreign trawlers from Great Britain, Portugal and other places that came to the banks adjacent to Nova Scotia to catch fish, and I said that as long as people from these other countries could use their trawlers there for catching fish there was not much use in trying by restrictive methods of this parliament to refuse licences to two or three trawlers owned or operated by Canadians as far as deep sea fishing is concerned. I suggested another method of control, and I think that method has borne fruit; I believe my hon. friend from Digby-Annapolis will agree with me in that. He knows that previous to the year 1929, the deep sea fishing fleet of Nova Scotia was operated by sail only. The vessels left home in the middle of March and fished, most of them, until about the first of October. They did try to fish during the winter months when there is a big market for fresh haddock and fresh cod, but travelling by sail alone, when they gave up the salt fishing about the first of October, they found that the winter fishing for fresh fish did not work out very well because in stormy weather, if they did not get back to port a short time after catching their fish, the fish would not arrive in very good condition. But due to the co-operative methods that were adopted, and adopted voluntarily by a certain class of people in the province of Nova Scotia, and particularly in the county in which I live, these people decided that if they were to carry on the fresh fish business and compete

with the trawlers they would have to put diesel engines in their vessels so that they could go out on the banks and get back to port with their catch as quickly as possible. The result has been that in the province of Nova Scotia we have built up a splendid fleet of fishing vessels of a particular type manned by the hardy fishermen of Nova Scotia, than whom there are none better in the world for deep sea or off-shore fishing.

I hold in my hand an article from the Canadian Fisherman, which gives a picture of one of the latest models of sailing and diesel powered fishing vessels. This vessel was built in my own town last year, and equipped with a 300 horsepower engine. To indicate to you, Mr. Speaker, the cooperative methods that we follow in Nova Scotia you will perhaps not think me egotistical or boastful when I say that I own one sixty-fourth of this vessel in which I have a five hundred dollar interest. That is the way we carry on our operations in the part of the province from which I come. To-day there are some twenty-three vessels equipped with diesel engines and they can take their place practically with these otter trawlers, which fish in a different way. As you no doubt know, Mr. Speaker, these sail and diesel engine trawlers do not operate the beam trawl but the line trawl. It is true, and I agree with my hon. friend from Digby-Annapolis (Mr. Short), that under certain weather conditions the fishermen on the sail and diesel engine trawlers cannot fish in the same way as the otter trawler can. But knowing the fishermen of Nova Scotia as he does, knowing the men on these vessels that sell goods to his own firm, he will agree I think that it is but seldom that the fishermen on these vessels cannot go and catch cod just as the fishermen on the otter trawlers can.

In view of that fact I do not think the danger is so serious as we are sometimes led to believe. In my opinion, the people who own the two or three otter trawlers will not buy new ones if anything should happen to those they now own, because at the moment these twenty-three diesel boats can bring in all the fish and more than all the fish which the Canadian people are consuming or will consume for a number of years.

We did make an attempt in this parliament to regulate this method of fishing. The hon. member for Digby-Annapolis, the then hon. member for Cape Breton South, Mr. MacDonald, a gentleman who is now in the other chamber, and I, were a subcommittee of the marine and fisheries committee in 1929 to deal with this very matter. There was an agitation at that time to have beam trawling discontinued and we met and submitted certain recommendations. These recommendations were embodied in a bill now known as chapter 42, an act to amend the Fisheries Act, which was passed on June 14, 1929. As a believer in freedom, I could not see my way at that time to recommend to the Minister of Marine that we should lay down the principle that these vessels should not operate at all, but we did make certain recommendations. What are they? Subsection 4 of section 69 reads:

> (4) The minister may determine the number of such vessels that shall be eligible to be licensed.
>
> (5) Regulations may be made under the provisions of section forty-six of this act,—
>
> (a) prescribing the form of licence;
>
> (b) specifying the evidence to be submitted with an application for a licence;
>
> (c) fixing the conditions under which a licence shall be issued;
>
> (d) making any other provisions respecting licences.

In these suggestions, which were afterwards put into law, I think we went a great way, because I felt, as I think my colleagues on that subcommittee felt, that if the Department of Fisheries were of the opinion that more fish were being caught by these otter trawlers than should be caught, and that if their operations were a detriment either to the deep sea fishermen or to the inshore fishermen operating in smaller boats than those I have mentioned, and that these people would be materially affected to their disadvantage, the department would have power either the next year or at any time to restrict or prohibit the granting of licences. In other words, under this act they could grant one licence or several licences or none at all, and the fact remains that since that time in 1929 the department has granted very few licences to otter trawlers.

I say therefore that although I am strongly opposed to the method of fishing in this way I do believe that the people of Nova Scotia, perhaps with some help from this parliament in the way of bounties on fish, or in the way of loans to shipbuilders or owners of vessels or those wanting to build ships, as I suggested in my speech on Monday, could build up a sufficient fleet, either a deep sea fleet or shore fleet to operate off the coast of Inverness or off Cape Breton or Guysborough or Halifax or Lunenburg or as far west as Yarmouth, and that in a very short time the owners of these beam trawlers would realize that the cod fish caught by these vessels operated by sail and diesel power are much superior to

those caught by the otter trawler with the net dragging along the bottom of the ocean for three or four hours. The fish caught in that way are not equal to those caught by the other method.

I am opposed to the otter trawler method of fishing, but I do not think we have anything to worry about. One reason why the people who operate these boats wish to have them continued is the consideration of continuity of supply. There is something in that argument—not a great deal but something, or there was a few years ago. With the type of vessels which Nova Scotians are building to-day, the high powered vessel of three hundred horsepower, equipped with diesel engines that can operate in almost any weather; with the cold storage plant which my hon. friend's company has at Halifax; with the plant taken over by this government a short time ago; with the splendid cold storage plant in Lunenburg and the cold storage plants at Liverpool, Shelburne and Yarmouth, there is no danger so far as continuity of supply is concerned. Indeed, the trouble is that we can catch more fish than the market will absorb, so far as fresh fish is concerned, and I do not think we need fear very much the one or two otter trawlers now licensed. I know from my own experience that these vessels have never paid. The sailing vessels and the diesel operated boats, except on rare occasions, have paid a fair dividend, and they are more economically operated than the otter trawlers. Personally I do not see much danger. However, I will say this to my hon. friend. If he would like to have the matter discussed, if he or any other member of the fisheries committee thinks that there is danger to the fishermen of Nova Scotia, I do not think I need assure him that my interests have been and are both financially and politically with the boat fishermen of that province, whether they are the deep sea or inshore fishermen, and I desire that they get the greater consideration.

Mr. THOMAS CANTLEY (Pictou): I presume that most hon. members will think me ill-advised if I attempt to controvert the arguments brought forward by hon. gentlemen who have spoken on this subject. Be that as it may, and though my county is not a fishing county, except in regard to two branches of the industry, lobster fishing and winter smelt fishing, it appears to me that we might as well go back to the days of the spinning wheel and destroy all the power looms and resort to the old method of pioneer days as to refuse to make progress by modern methods of fishing. The world does move and we have to move with it.

The hon. member for Antigonish-Guysborough (Mr. Duff) referred to the effect of the trawlers in British waters. May I remind him that a British commission investigated that whole question some years ago. My reading is not that their fishing grounds were depleted but that they were improved by the action of the trawlers. The statement that they were depleted by the trawlers is not correct. My hon. friend who represents Antigonish-Guysborough shakes his head, but that is the fact. It had been found that the trawler stirs up the bottom of the ocean and that due to this an additional quantity of fish food is made available.

Another fact of some importance is this: there have been operating for years on the coast of Nova Scotia forty, fifty or sixty French trawlers. What is the use of talking about curtailing or stopping our own trawlers when we are powerless to deal with foreign trawlers operating within three miles of our coast? Those foreign trawlers are protected by a French government gunboat which comes out in the beginning of the season and remains with them until they return home in the latter part of September.

Mr. DUFF: And a hospital ship.

Mr. CANTLEY: Yes, quite so. These foreign trawlers have three seasons: one in the bay of Biscay; one on the east maritime coast of Canada, and one in the north sea off the coast of Norway. They are thus occupied practically the entire year.

There is still another fact of some importance, that of our coal used in bunkering. These French trawlers take practically forty thousand tons of Nova Scotia coal each season. I remember one boat coming in to the Scotia coal docks at North Sydney on a Wednesday to replenish its bunkers. I said to the captain: "Are you nearly full?" He replied, "Yes; I will be back on Saturday with my cargo completed and I will fill up my bunkers to take me home." On Saturday morning he came back completely filled up with fish, and after filling up his bunkers he went home. In view of these facts, what is the use of attempting to control the most efficient method we have to-day of fishing? In my judgment what we want to do is this. The difficulty of my hon. friend who moved the resolution is that his people are poor fishermen. I do not want to say this in a deprecating way, but the fact is that their boats are not efficient or well constructed. In my judgment perhaps the best thing the government could do for the fishing industry in Nova Scotia would be to subsidize or otherwise aid in the building of a fleet of

forty or fifty so-called baby trawlers of about sixty or seventy tons, equipped with diesel engines, and give them to the fishermen of Nova Scotia on delayed terms of payment. I commend that to the consideration of the hon. member for Antigonish-Guysborough, the hon. member for Inverness, and the government as well.

I shall, I know, be followed by the hon. member for Digby-Annapolis (Mr. Short) whom we all regard as an authority on the fresh fish business of this country, which I am not. As I stated at the outset I cannot see the advantage of opposing improved conditions whether they be in the fishing industry, the iron and steel industry or in any other in this country, and I believe the best thing this government can do for the fishing industry in my province is to proceed along the lines I have indicated and help them to get efficient fishing boats, well equipped for carrying on their business in the most effective way.

Mr. H. B. SHORT (Digby-Annapolis): This trawler question is one that has been before the house a number of times When it was last discussed on July 15, 1931, I thought it would be practically settled for some time because the government at that time announced their policy in connection with it. The present Minister of Finance (Mr. Rhodes), who was then Minister of Fisheries, made this statement as reported in Hansard of July 15, 1931, page 3790:

> I am satisfied, and I wish to state very clearly that I accept it as beyond reasonable doubt at least, that if we are to enlarge our production of fish in Canada to cover this market, and to supply large quantities to the United States, we must have the trawler as an adjunct to our industry in order to take up the slack of which I have spoken.

That was the policy of the government in July, 1931, and I do not think it has changed since. As the hon. member for Antigonish-Guysborough (Mr. Duff) stated, a recommendation was made by the fisheries committee to the last parliament in June, 1929, that the matter of licensing these trawlers be left to the discretion of the Minister of Fisheries. At that time they decided that six trawlers were necessary to give us a sufficient supply of fish for our Canadian market. Since then the number has been reduced. Two years ago four licences were issued; last year there were only three and part of the time only two of those three trawlers were fishing. It is ridiculous to think this country is going to prohibit the use of trawlers when the country to the south of us have 115 large and 137 medium ones and their medium ones are about the class of the three that are fishing in this country. They fish practically the same grounds as we do and we are not allowed to fish with three, as the hon. member for Antigonish-Guysborough stated. As to the number of trawlers that other countries are using, I have the same figures as my hon. friend has given so I will not repeat them. But during the summer months and late into the fall we have on our grounds some forty to fifty French trawlers three times the size of the ones that we use and they are allowed to fish on the same ground that we do. We cannot prevent them because the ground is international Moreover, they can come in and fish within three miles of the shore while there is a restriction on Canadian trawlers that they cannot fish within twelve miles of the shore.

I presume the only reason why this matter is being brought up again is that it is suggested that the trawling companies have a monopoly of the fishing industry of this country. The hon. member for Inverness (Mr. Macdougall) made that statement to-day. The trawling companies have no monopoly whatever of our fishing industry; there are many other large concerns besides them. The Maritime National Fish Company is the only company operating trawlers in Nova Scotia but there are many other large concerns operating there as well. The total catch of fish during the season 1933-34 was 212,000,000 pounds and the Maritime National Fish Company handled 32,000,000 pounds. Is that a monopoly? My hon. friend speaks about this interfering with their fishing in Cape Breton. It does not do so in any way, shape or form. The island of Cape Breton could not in the winter time supply the markets of this country if they had them all to themselves. They have not the fish there at this season. They are now bringing in fresh cod from Newfoundland; these are coming into the island of Cape Breton right along. Only last week 55,000 pounds of fresh cod were brought in to North Sydney, Cape Breton, processed and shipped from there to other parts of Canada. That interferes with the markets much more than the trawler The company that operates trawlers never would have gone into the trawler business if they could have secured sufficient supplies from the boats and sailing vessels, because catching fish by trawler is a more expensive operation than catching them by vessel or hand line boat. That was proven in 1931 I think it was, when a conference was held by the department with the vessel owners and boat fishermen and those interested in the trawlers; it was shown that trawler-caught

fish cost considerably more. We had no market for our fresh fish in this country prior to 1910 when the first trawler was operated in the fresh fish business. The hon. member for Antigonish-Guysborough speaks of trawlers coming in in 1905, but they were brought here by a salt fish concern, Robin, Jones and Whitman of Halifax and Gaspé; I think they were the first who brought an English trawler out. I do not know just the date, but a company in which I was interested afterwards bought that trawler in 1910. We bought it because we found we could not get from the boat fishermen a continuous supply of fish for the markets of the west. Prior to 1910 our fish markets in Montreal, Toronto, and the large centres in Canada were supplied from Boston, Gloucester and other United States fishing centres; not a carload of fresh fish came from the maritime provinces, because we could not supply the markets with fish on the days they required it. In the old days Friday was the only day in the week on which people ate fresh fish, and if you could not get your fish there for the Friday market it was a loss. They tried to get the producers in the maritimes to supply them, but sometimes they missed getting them there for the Friday and the dealers said, "We cannot depend upon you"; the result was they got their supplies from the United States.

Furthermore, that company is the largest purchaser of fish from the boat fishermen. The trawlers do not begin to catch all the fish they sell. I have figures here that were supplied to me the other day, showing the purchases of fish by this octopus of which the hon. gentleman speaks, this great American concern that monopolizes the fishing industry of Nova Scotia. During the year from April 1, 1933, to March 31, 1934, they purchased from the trawlers 18,617,000 pounds and they bought from the hook and line fishermen 14,365,000 pounds. That is, they purchased outside nearly as much fish as they caught themselves. For the nine months ended December 1, 1934, they purchased from the trawlers 11,984,000 pounds and purchased from the hook and line fishermen 14,242,000 pounds; that is they purchased from outside fishermen nearly 3,000,000 pounds more than they caught themselves. Therefore I say they are the biggest help that the boat and vessel fishermen have. In addition to their three trawlers they have had under charter this winter ten of the large Lunenburg schooners, so they have given employment not only to their own men but to outsiders. In their plant in Halifax they employ 150 to 200 men processing these fish. Most of these men are married and have families, so that a great deal of money is disbursed in labour.

Then as to their purchases. I have figures showing what this octopus has done for the province of Nova Scotia during the past five years. Their expenditures for the five year period from 1928-29 to 1932-33 were as follows:

Fish purchases	$4,386,754
Packing materials	1,093,884
Freight and express paid	866,883
Refrigeration and storage	364,213
Payrolls including salaries	1,831,079
General expenses, including taxes	475,710
	$9,018,523

In addition to the amount here shown as freight and express paid, probably three times that amount is paid to the railroads for goods sold f.o.b. I wonder if these figures are of interest to the fishermen of Nova Scotia. I wonder if that expenditure is any benefit to the country. There is not another industry I know of in which the money is so well distributed as in the fishing industry.

I am not actively in the fish business now and have not been for the past three years, but I still have the interests of the industry at heart, and I think I have done as much for the fishing industry and the boat fishermen of Nova Scotia as anyone in the industry. One section of the county which I represent is interested largely in fishing, and I feel that I have as many friends in that section of my constituency as in any other. I am certainly considered not as an enemy of the fishermen in any way, but as one of their best friends. If we are to continue to hold our Canadian market, I feel that it is absolutely necessary to have a certain number of trawlers, in order to ensure continuity of supply. This matter has been dealt with pretty fully before the price spreads and mass buying committee; as the hon. member for Inverness (Mr. Macdougall) said, they have not yet made their report, and I think this is an inopportune time to discuss the matter here. It should have been left until the commission's report is received and we see what conclusions they come to concerning it.

Before I close I should like to put on record the attitude of the government in connection with the trawler situation in 1931. On July 15 of that year the then Minister of Fisheries (Mr. Rhodes) made this statement in regard to compensation as reported at page 3791 of Hansard:

If we pass a regulation to provide that all trawlers shall be built in Canada, and those now here be disposed of, the government will

have to compensate. A fairer method would be to license the trawlers we now have, deciding that hereafter any trawler to be licensed must be built and owned in Canada. I may say to my hon. friend that, with that reservation, I am prepared to recommend to my colleagues in the government that as a matter of policy this be adopted with regard to the trawler question.

If their trawlers are to be put out of business there is no question but that the company will be entitled to compensation, and if this government is prepared to compensate I feel sure that the company operating these trawlers would be only too glad to hand them over to the government and take their chance of getting their supplies of fish from other sources. They went into this business when conditions were different from the conditions of to-day. At that time we had not the heavy motors in the fishing vessels that we have to-day. Then in the winter season we could not get our supplies except by steam trawlers, and that was why this company went into the trawler business. We now have sailing vessels with heavy motors, and under ordinary conditions we could get a fairly good supply of fish. So if the government are prepared to compensate the company for the trawlers they now have I believe they would be glad to go out of the trawler business, because it would be cheaper to get their supplies from the other vessels. But while they have this investment in these trawlers which they brought out from the old country in good faith, and for which they were given Canadian registry, I see no reason in the world why the trawlers should not be operated.

I understand that my hon. friend wants this matter referred to the committee; I presume it will come up for discussion later on, so I do not propose to say anything further at present.

Hon. J. L. RALSTON (Shelburne-Yarmouth): Mr. Speaker, I shall take up the time of the house for only a few moments in connection with this resolution. My own views with regard to the matter are on record in Hansard for 1932. I appreciate, as all hon. members do, the amount of controversy which has been waged in connection with this vexed question, and I know that regardless of the arguments which may be made in favour of the trawlers by the trawler companies there is a deep rooted conviction in the minds of the fishermen that the trawlers are damaging their business and their livelihood. There may be a difference of opinion as to whether that belief is well founded. The commission, to which the hon. member for Inverness (Mr. Macdougall) has referred, recommended by four to one that the trawlers should be abolished. The fifth member, the chairman, recommended in effect that trawlers should be maintained only so long as they were necessary reasonably to supply the market. Mr. Justice Maclean, in the report of the royal commission investigating the fisheries of the maritime provinces, at page 115 said:

> The number of trawlers in use should not exceed that number which will produce from time to time, the market requirements in excess of boat and vessel production.

That seems to be the question most discussed to-day and the real question of fact at issue. The fishermen say the trawlers glut the market, or in other words that they put too many fish on the market and thereby reduce the price. The trawler people say that the trawlers are absolutely necessary to maintain a continuity of supply, to preserve the market and the demand for fish. I suppose that question of fact will exist as long as these two methods of fishing prevail. Two years ago I submitted to this house that, on the information I had before me, it would seem that the condition laid down by the minister, which was read by the hon. member for Digby-Annapolis (Mr. Short), namely that the trawlers would be licensed only so long as they were required to take up the slack, had been complied with, and that the time had come when the shore fishermen could supply the market.

My suggestion at that time was not accepted. I put on record then certain evidence which I had with regard to the conditions of the fishermen, and I suggested that the best thing this government could do in the interests of the fishermen, as I understood their position, was either to refuse licences to trawlers entirely or to reduce the number of licences to the point where boat fishermen would have the first chance to supply the market. Nothing was done at that time, but in another year, as the hon. member for Digby-Annapolis said, one trawler less was licensed, and in a subsequent year still another licence was dropped so that now there are only three licensed trawlers with only two in operation.

Now we come to the situation to-day, and I should like to put on record the history of trawler regulation, which is very short. In 1928, I think, four members of the Maclean commission reported in favour of the abolition of trawlers, with the chairman making a qualified recommendation to the effect that trawlers should be maintained only as long as they were necessary in order to supply the market. Following that, in the fall of

1929, the then Minister of Fisheries (Mr. Cardin) made a tour of the province of Nova Scotia, particularly; he visited every fishing community and heard the representations of the fishermen and the fishing companies with regard to trawlers and other phases of that industry. After mature consideration a regulation was passed by order in council, by which it was provided that a tax of one cent per pound would be imposed on fish landed from foreign built trawlers, and a tax of three-quarters of a cent per pound on fish landed from Canadian built trawlers, with the further proviso that no licences would be issued to foreign built trawlers after April 1, 1932. That was regarded by the trawler companies as a very drastic step; I know my hon. friend from Digby-Annapolis felt it very keenly, as did the company with which he was connected.

Mr. DUFF: It was provided in the 1929 regulation that no vessels other than those of Canadian registry should operate.

Mr. RALSTON: I did not give a date, but my hon. friend is right; the order in council was passed late in 1929, after the visit of the then Minister of Fisheries to the province of Nova Scotia.

As I say, Mr. Speaker, there was a good deal of feeling about that regulation. The trawler companies thought it was exceedingly severe. They claimed, as the hon. member for Digby-Annapolis has said, that the trawlers were already operating at an expense greater than that to which boat fishermen were put in the matter of the cost of production, and this regulation imposed a further expense by way of a licence fee of one cent per pound, which they said practically put them out of business so far as operating trawlers was concerned. The reply was that they could use Canadian built trawlers and thus save at least a quarter of a cent a pound. Instead of going out of business, however, as they threatened, they preferred to resort to the courts, and the order in council was set aside by the Exchequer Court of Canada on the ground that it exceeded the provisions of the statute on which it was founded.

No action was taken by the present government to reinstate that order in council; the act was not amended in order to validate it. Instead the policy to which my hon. friend from Digby-Annapolis has referred this afternoon was laid down by the succeeding Minister of Fisheries (Mr. Rhodes). That policy was this: We are not going to impose a licence fee on trawlers by way of a poundage charge. We are going to impose a flat licence fee of $500 a boat. That is one thing. Then we are going to licence as many trawlers as we think fit; but we lay down the principle that the number of trawlers to be licensed is the number necessary to make up for any deficiency in the supply of fish by the shore fishermen. We are also going to see that the trawlers shall be marked in such a way as to make it more certain that they can be recognized and identified in case damage is done to the gear of the fishermen. The other provision to which the hon. member referred was probably set out by the minister in his speech; I do not remember that it was included in the order in council, but it was to the effect that no new licences would be granted except to Canadian built trawlers.

That is the regulation which has been in effect, to which my hon. friend from Inverness is directing his remarks this afternoon. I say that the question to-day is which way that condition of fact, raised in Mr. Justice Maclean's report and mentioned in the present order in council, is to be decided. If the shore fishermen are getting sufficient quantities of fish to supply the market, then there is no need for trawlers. If the shore fishermen are hurt in their business and their prices reduced on account of a glut on the market produced by trawlers, then no licences should be granted. If on the other hand to maintain the fishing industry and to maintain the market it is necessary to have trawlers to supplement the supply of shore caught fish, then there is ground for maintaining a certain number of trawlers.

Instead of putting this matter to the house this afternoon my hon. friend has very wisely, I think, proposed referring it to a committee for the purpose of having the point considered. But let me say now that if I had been asked to vote on the question this afternoon I would have voted for his resolution on the assumption that the shore fisherman can handle the situation.

Let me point out to the house however that this matter has been referred to the Maclean commission, it has been referred to the Jones commission, it has been discussed from time to time by the government, as the government has been dealing with licences; it is now before the price spreads commission and the hon. member now proposes to refer it again to the fisheries committee. I would say that at that rate we are not making much progress in connection with this matter of trawlers. However if my hon. friend wishes it I am quite willing to support the motion sending the matter to a committee for purposes of consideration of all the facts. That will give no immediate relief. But I should

like to urge something which can and will be of immediate benefit and which is a matter of immediate urgency.

These men who are fishing in opposition to the trawlers and who claim to be affected by them are fishermen of the province of Nova Scotia. At certain seasons of the year they engage in catching cod, pollock, haddock, hake, etc., and in the other seasons they are lobster fishing. I have made representations to the Minister of Fisheries and I have no doubt other hon. members have made similar representations with regard to the great losses which have been recently suffered by those men through loss of lobster fishing gear due to the extraordinary storms which have lately prevailed upon the Nova Scotia coast. I wish to take this opportunity to urge upon the Minister of Fisheries that which I have already urged upon him by way of letters, and to urge upon this house the immediate consideration of the claims of those men for loss of boats, traps and equipment due to the storms which prevailed upon the Atlantic coast only a short time ago.

I have before me newspaper clippings showing that in many cases from 50 per cent to 80 per cent of lobstermen's gear has been lost. As I said these lobstermen are the same men we are dealing with in the present resolution; they catch ground fish through the summer and lobsters in the winter and spring. Fifty per cent to 80 per cent of their gear has been lost. Those men put their gear in the water in December, and then a storm comes along and destroys it. They have prospects of going out fishing again as soon as the rough winter weather subsides, probably about the middle of March. A great many of them will find themselves not only without gear but without credit, and I submit no more helpful action could be taken on behalf of the fishing industry. This is the way to prevent unemployment: it solves the relief problem. These men want to be self dependent they do not want relief if they can get some sort of grant to help them fit out and pay their own way.

I could mention that long ago, in 1882 I think it was, a grant was made to fishermen of the province of Nova Scotia for the purpose of assisting them in the restoration of their gear which had been lost by reason of an unprecedented storm. I have under my hand a letter referring to the loss of two boats at the Hawk, Cape Sable island, not only the gear but the boats themselves. At Wedgeport besides loss of quantities of gear eight boats went to the bottom, and worse than that, four men were lost from that one little town. That was a storm which will be long remembered by the fishermen in that part of the country.

I want to urge upon the minister as strongly as possible not the protracted but the immediate consideration of the claims of all these men, because he gives twice who gives quickly. In this same connection I received a telegram this morning, and I believe the minister received one similar to it. It came from the secretary of the Yarmouth board of trade. That body has considered the matter serious enough to bring it to the attention of the authorities. It is addressed to myself and is as follows:

Following is copy of telegram to Premier Macdonald and Minister of Fisheries. Please use influence carry recommendation into effect. Representatives five fishery communities on behalf two hundred fishermen in dire need direct relief to-night petitioned Yarmouth board of trade for financial assistance. Extreme stormy weather destroyed lobster equipment and fishermen unable provide replacement. To prosecute industry necessity for fishermen to obtain financial assistance. On behalf these two hundred fishermen and some three hundred others whose petitions coming in daily urgently request governmental assistance as whole communities dependent on welfare of industry. Yarmouth board of trade unanimously passed resolution to-night favouring direct relief for fishermen by proper governmental authority. Kindly place matter before department to end that investigation may be made and relief available and fishermen thus assured of credit to further prosecute lobster industry earliest possible moment.

I do not think one could add much to that businesslike telegram except to say that those of us who represent fishing communities know well the hardships which are experienced in connection with it. I believe every hon. member representing a fishing district will have some knowledge of incidents such as this, where a fisherman goes out into the Atlantic eighteen miles from Cape Sable island to Seal island, locates there with his family and puts out in his little boat day after day in the wintry winds and storms which blow around that bleak and isolated spot in December and January weather. Those men have lost practically all of that which they call capital. To operate in the cod and lobster industry they have to have from $600 to $900 a year in cash in order to prosecute their calling, and they are asking this country for assistance to stake them to a new outfit to replace what the unprecedented storm has taken. Mr. Speaker, in view of the fact that assistance is given to others engaged in primary industries, the very insignificant

amount which would be needed for the purposes I have mentioned ought to be readily granted.

Hon. GROTE STIRLING (Acting Minister of Fisheries): Mr. Speaker, in some ways I regret that the hon. member for Inverness should have brought this matter to the attention of the house at the present time. This has been a most contentious question, but as has been pointed out by some hon. members who have taken part in the debate there are indications that those who were extremely opposed to each other are showing some signs of nearing an agreement.

When one remembers that 50 or 60 years ago steam was first applied to the fishing industry and steam trawlers first came into existence in Europe, and that at that time this same sort of controversy raged for many years it makes one wonder whether or not this may be a problem similar to that which existed when the internal combustion engine was applied to vehicular traffic. It was not until 1910 that the first steam trawler appeared in Canada. By 1912 there were two, and in the next year there were five. Had it not been for the intervention of the war undoubtedly there would have been a greater number of trawlers operating on the Atlantic coast. In 1926, however, the number had increased to eleven. Then in the post-war depression the agitation against the trawler method of catching fish became extremely violent, and it was necessary for the government to give close attention to the question. It was brought to its attention with such force in 1927 that a commission was appointed to take into consideration the matter under dispute. As the hon. member for Shelburne-Yarmouth (Mr. Ralston) pointed out, the majority were in favour of the abolition of steam trawling, and the chairman held the view that it should be permitted under certain circumstances. That report was submitted to the select standing committee on fisheries, and as a result of the consideration given to it the Fisheries Act was amended in 1929, and certain regulations were passed under those amendments which were subsequently put into operation. Those regulations contained the proviso that the trawlers should pay a fee of one cent a pound but when in the subsequent season, with five of them operating, four refused to pay that licence fee, the case came before the court and the court ruled that the regulations were ultra vires, and the regulations had again to be amended. They were so amended in 1931, and instead of the licence fee being collected on the poundage of fish taken, a licence fee of $500 was imposed on the trawler. In the order in council authorizing that regulation appears the following clause:

> That the applicant for such licence shall furnish the Minister of Fisheries with evidence that will satisfy the said minister that he cannot obtain an adequate supply of suitable fish to enable him properly to conduct and develop his business from the hook and line fishermen, and that if the licence is granted, the extent of his purchase of fresh fish from the said fishermen will not be adversely affected.

Following that, four licences were granted. One of the companies, however, which had a licence went out of existence, and consequently only three were operating. Again market conditions had not improved and the question had to be reconsidered. A very strong agitation came from boards of trade and associations as referred to by the hon. member for Inverness (Mr. Macdougall), and their representations were opposed as strongly by the board of trade of Halifax and the mayor of Halifax who desired this small number of licences to be retained. The matter was again reviewed, and I should like to draw the attention of the house to some of the points which it was necessary to consider.

The trawlers were procured when there was no law restricting their number or regulating their use. Hence, refusal of licences would be largely tantamount to their confiscation.

It is generally conceded that it costs more to land fish with trawlers than by hook and line. Hence their need is to maintain a continuous supply and also because they catch much larger quantities of haddock proportionately than do the hook and line fishermen, which fish are mainly desired on the fresh fish markets, and particularly in the United States markets.

Because the fish cost more, it is not the trawler-caught fish that fix the price on the markets, but rather the hook and line caught fish.

If the trawler licences were refused there is no assurance that the place that their catches now take on the markets would be filled by the inshore fishermen. Apart from sales to the United States, whenever it would be more convenient for the Montreal and Toronto wholesalers to obtain their supplies from the nearby United States ports, there would be nothing to prevent their doing so. The much smaller transportation charge from these nearby ports would in a measure offset the import duties.

The schooner has become more competent in recent years owing to the installation of the diesel engine, and the plain fact seems to be

that it is doubtful, if conditions keep on as they are, whether trawlers can very long stand their competition.

The trawler operators are amongst the largest purchasers of fish from the hook and line fishermen, and they maintain that this is possible only because of having the trawlers and keeping a continuous supply on the market.

The main landings by the trawlers are during the late winter months when the hook and line fishing is reduced to a minimum. If it were not for the necessity of holding trained crews together, trawlers would probably be laid up during the summer months.

Then to emphasize what I said at the beginning with regard to the introduction of steam in the fishing industry, I would draw the attention of the house to the fact that no other country is restricting trawler operations. Out of European ports about 5,000 trawlers are operating, while out of United States ports usually there are about 300. These latter trawlers as well as a large number from France and sometimes from other European ports fish on the banks adjacent to our coasts, so that even if our trawlers were withdrawn it would decrease the amount of trawling on these banks by a very small proportion only, and so far at least as the United States markets are concerned it would make competition therein more difficult.

After the consideration given to the whole matter it was decided to limit the number of licences to the Maritime-National Fish Company to three, and that the licence to the Leonard Fisheries would be renewed, but as the latter company ceased to operate there have been only three trawler licences issued, and they are still in operation.

Owing to the fact that this question, contentious as it is, has been before the price spreads commission and in that sense is subjudice, the government at present awaiting the report of that committee, it seems to me not undesirable that this resolution should pass to the select standing committee on fisheries where it could be held pending the receipt of the report of the price spreads commission and for such longer time as is necessary for the government to consider the report so brought in.

Mr. L. W. JOHNSTONE (Cape Breton North-Victoria): Mr. Speaker, in regard to the motion introduced by the hon. member for Inverness (Mr. Macdougall) I have very little to say. It does not affect my riding to any very great degree. We have a number of fishermen in my constituency and yet I have never had a complaint from any one of them with regard to the trawlers, which do not interfere with them to any great degree so far as I have been able to judge. The trawlers come into our ports and get their supplies and coal in the port of North Sydney.

I agree with the hon. member for Shelburne-Yarmouth (Mr. Ralston) that something should be done to relieve the conditions now existing among the fishermen. I was sorry I was not able to take part yesterday in the discussion that was held recently in regard to the establishment of refrigerator plants and bait warehouses for looking after the curing of fish and the supplying of bait. Those are two very important questions, but to my mind they are of minor importance in comparison with the larger question of relief for the fishermen. Only to-day I have a letter from some fishermen in my constituency asking me to do something in the way of a breakwater so that after they come in from a hard day's fishing they would not have to jump out of their boats and stand waist high in the cold water in the month of October to haul their boats ashore. Through the kindness of the Minister of Public Works I have succeeded in getting four or five hauling engines installed in different places along the coast of Victoria county and they have been a great boon to the fishermen. One can imagine what a hardship it is for fishermen to have to drag in their boats standing in cold water after coming in from a long fishing trip, but with one of these hauling engines all they do is to step ashore and start the engine and the boats are hauled ashore. That is one of the few things we have been able to do. I had a letter last year from a merchant asking me whether it was possible for the government to provide a sum of money for the purpose of helping the fishermen in the spring or in the fall when they go fishing, because, he said, they were destitute; they had no proper equipment, neither rubber boots nor boats. Their lines were crippled and their boats destroyed. This all happened after a very heavy storm in Victoria county. Now, I think that there should be something in the form of a government loan to those engaged in the fishing industry, which is a very important occupation in this country. The farmers of Canada, judging from the bills which are before the house to-day, are largely protected, but apparently the fishermen are excluded from these loans which are being given to the farmers. I think it is up to the government and the members of this house to see that fishing, which is an industry second almost to none in this country, should receive proper care and attention.

I am sorry that this subject did not come up before. I do hope however that before this house gets through we shall be able to go to the fishermen and say that we have done something for them and that this talk has not been all useless. I hope that we shall be able to tell them that we have evolved a practical method by which the fishermen can be assisted, not only in connection with bait and refrigerator plants, but by means of a loan which will enable them to obtain boats and to get whatever equipment is necessary. This is a serious matter with them, because I know that to-day there are people who cannot go fishing because they have not the materials—lines, proper clothing and often boats. I am very glad that the subject has been brought up. I feel responsible for not having introduced it before but I am glad of this opportunity to say something on behalf of our fishermen.

Mr. FINLAY MacDONALD (Cape Breton South): I have a perfectly open mind on this question, not being particularly interested from a sectional point of view, as to the desirability of continuing trawlers. On this as on the other question which we have already discussed, I think the matter must be approached on a wider basis. If we have to deal with this question at all, and if it is to be referred to the committee on fisheries, no doubt it will receive proper attention there. But in my opinion if we are to discuss the fisheries in the way they should be discussed, and if we are to give the industry that assistance to which it is entitled, we shall have to deal with the matter in a larger way than is contemplated either by this resolution or by the one that preceded it.

I may be mistaken—and in this I have the misfortune to differ from my friend from Antigonish-Guysborough (Mr. Duff), who I confess knows very much more about the fishing industry than I do, and who is more deeply interested in it—but I must say that the little consideration I have been able to give the matter convinces me that the future of this industry lies along the fresh fish business. My own ideal would be that for every car of fresh meat that goes from Ontario down to Nova Scotia there should be sent back a car of fresh fish, or more than one car if necessary. I believe that there is a market in Canada sufficient to absorb all the fresh fish that we can catch in the maritimes. But two or three things are necessary. As has been said, we must make the people of upper Canada fish conscious. There ought to be some way of putting before them the desirability of this food. Those of us who live in the maritime provinces and who have eaten fish caught fresh from the salt water, and who have also had opportunities to eat the choicest meats that come from the other provinces, know that as a palatable article of diet a fresh fish caught from the ocean is far superior to any choice piece of meat that can be obtained from any animal.

It is of course a matter of regret that the present condition of our fisheries is so deplorable. The fishermen are destitute. One would hardly believe that in the short space of twenty-five or thirty years there could be such a lowering of the standard of living among our fishing population as has taken place in the maritime provinces. At that time there were numerous little fishing villages scattered all along the shores, and the men engaged in that business, although they worked only in the summer, could live through the winter and enjoy all the comforts of the home. To-day some of these villages which were most prosperous in the early days, are living on relief, and if one were to believe the stories that come in during the winter months, it is almost inconceivable that such conditions could exist.

In addition to educating the people of upper Canada to the value of this food, very many other things are necessary. The fishermen of the maritimes must be lifted out of the condition in which they now find themselves. This government can be very generous to the farmers of the west, and with that we have no quarrel. We in the east realize that the great wealth of Canada comes from the western plains and that the large exports from that territory furnish the chief source of wealth in this country. A very considerable and laudable effort is being made to help the destitute farmers of the west, but I venture to say that their destitution is not more severe, nor are their conditions more serious than those in which the farmers and the fishermen of the east are placed to-day. And if we are to treat those farmers in the west so generously—and we are all heartily in favour of that—we should certainly extend equal generosity to those hardy men who go down to the sea in ships. Further, those fishermen must be fitted out with equipment and plant because they are engaged in a very hazardous occupation. As the hon. member for Shelburne-Yarmouth (Mr. Ralston) has pointed out, this year the winter has been a particularly severe one on the fishermen, the result being that many of them have lost their entire plant, boats, nets, lobster traps,

all of which have gone, and they have no resources left with which to set themselves up in business again.

In addition to the fishermen being equipped to catch fish there must be the secondary stage of equipping them with the necessary facilities for processing their fish, keeping them fresh, thus enabling them to put their fish in a proper condition on the Canadian market because that is the one to which I look for the efficient development of Canadian fisheries. There must also be given to them cheap transportation as is now given to the Toronto packers who are supplying us with meat products. Transportation cost might very easily be lowered, for example if a car that came east with meat went back loaded with fish.

We have first the catching of the fish, the processing of it, the creation of a market through education and lastly the transportation and the placing of that fish on the market in the best possible condition. How are we going to do this? What is the best method of doing it? For my own part I am satisfied that there is only one method that will ever be successful in dealing with the whole question of fisheries, and that is the creation by the government of a commission that will handle the entire problem. A large amount of money may be necessary, but it is available. The commission should consist of a number of persons who would have full charge of the production, processing and transportation of the fish, and the education of the people of the west in the eating of it. That I am convinced is the solution of our troubles and it is the one idea I have in mind, feeling as I do the great necessity for doing something. Looking over our past history and seeing that we have done nothing all these years while the fishing industry has been steadily deteriorating, I think it would be very well if when we come to consider this question in committee—and I presume it will be referred to a committee—we consider the much wider and more important question of dealing with this problem in the way I have indicated through a commission composed of experts who can deal with the matter of the fish from the time they leave the sea until they reach the tables of our friends in western Canada.

Mr. F. P. QUINN (Halifax): As previous contributors to the debate have already stated, this question of the competition of the beam or otter trawler with the shore fishermen has been a contentious one for many years. Perhaps a useful purpose will have been served by the hon. member for Inverness (Mr. Macdougall) in bringing the resolution before the house this afternoon; if no other advantage can be gained he will have at least the satisfaction of bringing to the attention of hon. members some of the deplorable conditions of the maritime provinces.

To give the house an idea of how difficult it is for hon. gentlemen to arrive at a conclusion as to what is best in dealing with the resolution now under consideration, may I point out my particular situation? Just a few minutes ago we had read to the house by the Acting Minister of Fisheries (Mr. Stirling) a statement that only a few years ago this government or the preceding one was petitioned by the Halifax board of trade and also by the mayor and council of that city to permit a certain number of trawlers to operate. That is the expressed opinion of those in control of the city of Halifax, but the constituency which I represent includes the city and county of Halifax, and the inhabitants of the county of Halifax, east and west along a shore line of 142 miles, are chiefly engaged in the pursuit of fishing, being called, as has already been stated, shore fishermen, those who fish in small boats out of the different harbours and coves along the shore. All of those fishermen are opposed to the beam trawler competition which they have to meet. I need not elaborate or try to explain the operation of the beam trawler as against that of the shore fishermen because the matter has been very clearly defined by previous speakers and particularly by the hon. member for Antigonish-Guysborough (Mr. Duff). But this is the position we are in; the question is a contentious one and it is very difficult for parliament to decide just what to do.

I was particularly interested in the statements of the hon. member for Digby-Annapolis (Mr. Short) who knows as much about the fishing industry as does any other hon. member. I paid especial attention to his remarks in refutation of the statement that the companies operating these otter trawlers held a monopoly of the fishing business in Nova Scotia. He quoted figures to disprove that statement. I was not aware of them and they were very interesting to me. Another statement made by the same hon. member which was rather interesting—and I thought perhaps that statement should settle this question and prove that there was no necessity for any further discussion in the matter—was that the company in which he had been interested or is interested and which operates these two steam trawlers was willing to discontinue its operations provided it was recompensed for the capital invested in these trawlers. I thought that was a fair state-

ment, and I think if that suggestion were carried out it would settle the argument once for all. But since it seems to be the general opinion that the whole matter should be left in the hands of the special committee on fisheries I concur in that suggestion. I think it is the proper body to deal with the question. I hope the committee will give it the consideration to which it is entitled and will bring in a recommendation as to the operation of beam trawlers, and, if they are to be discontinued, as to how the companies who own and operate them should be recompensed for the capital invested in these trawlers.

Hon. CHARLES MARCIL (Bonaventure): The fisheries question is often referred to as something of interest primarily to the maritime provinces, and sometimes British Columbia. But there is a part of the province of Quebec which is also interested, that is the three counties of Gaspé, Bonaventure and Matane. I am glad my colleague from Gaspé (Mr. Brasset) said a few words the other night on the motion of the hon. member for Gloucester (Mr. Veniot) in regard to bait. I was much interested in the suggestion made to-day by the hon. member for Cape Breton South (Mr. MacDonald) that there is a broader view to be taken of this fishery question, not confined to beam trawlers but extending to the condition of the industry and the fishermen as a whole. The position in which the fishermen of Nova Scotia and New Brunswick find themselves to-day applies equally, or to a greater degree, to the fishermen of Quebec, because our fishing season in Quebec is much shorter than in those provinces, especially Nova Scotia where they have winter fishing. Our winter fishing is practically confined to the upper ranges of the baie des Chaleurs and to smelt fishing. There is no doubt there has been a great deterioration in the fishing industry of eastern Canada, and that something should be done to restore it. I heartily support the suggestion made by the hon. member for Inverness (Mr. Macdougall) that this matter be referred to the select standing committee on marine and fisheries. I hope that the question raised by the hon. member for Gloucester will be again taken up by that committee. Some twenty-five or thirty years ago I voted for and upheld the proposition made by Sir Louis Davies, who was then one of the outstanding representatives of the maritime provinces, to establish a system of bait freezers throughout Canada. That became law and we had experience of that not only in Quebec but I understand in Nova Scotia and New Brunswick as well. Unfortunately the system was based upon the cooperative idea, but the fishermen did not seem able to agree about the operation of the freezers, they gradually disappeared and the whole scheme fell down. Now the hon. member for Gloucester (Mr. Veniot) suggests that the government should start over again and re-introduce the system. Without bait the fisherman is of course handicapped at every turn. In Quebec at present the local government have undertaken to establish a number of bait freezers in the counties of Gaspé and Bonaventure, and I suppose Matane as well, for the purpose of furnishing the fishermen with the bait which is indispensable.

It is unfortunate that in that maritime part of Quebec province there is any conflict of jurisdiction, but there always has been. Away back in 1897 when I had the honour of being a candidate for the legislature of Quebec against the then premier of the province that was a burning issue. The provincial government contended that the fisheries of the province, especially the salmon fisheries, were under the jurisdiction of the province; the federal government took the opposite view. The privy council on one occasion gave authority to the province as regards the issue of licences for salmon fishing, which as the house knows is one of the important industries of Bonaventure and Gaspé counties from which come the famed Gaspé salmon, second to none in the world. To-day the fisheries of Quebec are under provincial jurisdiction, but there has been a steady appeal made during the last three or four years by the fishermen of Gaspé, who take a very active interest in this matter, that there should be more cooperation between the federal and the provincial governments concerning fisheries. Public sentiment in those two constituencies is very strong that some of the federal benefits which are extended to British Columbia and the maritime provinces should also be extended to the maritime parts of Quebec; that we should have biological stations and other means of helping the fisherman to carry on his calling. The fishermen of Quebec, although under provincial control except as regards seasons and other regulations, contribute their part towards supplying the fishermen of the maritime provinces and British Columbia with the assistance which the federal government gives them. I was glad to hear the former Minister of Fisheries (Mr. Rhodes) declare that he is prepared to give all the federal assistance that can be given to the fishermen of Quebec. I hope the minister now in charge of that department (Mr. Stirling) will take that same view, because after all

this is a national industry, and the prosperity of one part of Canada affects all parts. If one great national industry is stagnant in one province it reacts upon the whole body.

I think the suggestion of having this matter referred to the select standing committee on marine and fisheries is a good one, but I hope it will not be confined merely to looking into the matters of beam trawlers and bait, but will take into consideration the whole industry. Ever since I have been in this house we have been helping the west. When I came first there was practically nothing in the west. We have been developing it. I voted for all the transcontinental railways and every other railway built in the west. We looked on the west as the great granary of the world. Sir Charles Tupper and Sir George Foster and those other great leaders that the maritime provinces sent to the parliament of Canada laid before us an entrancing view of the future of that western country. We created two or three new provinces out there; we gave them all they wanted, all they asked, and now when they are being tried sorely we are willing to come to their assistance. But we must not forget that the fishermen of Canada were the pioneers of this country. Our first fishermen came from Brittany and the channel islands and they settled in the maritime provinces and in Quebec. We have in Paspebiac, in my constituency, the old firm of Robin, Colas et Cie, which is now controlled by Robin, Jones and Whitman of Nova Scotia. This was the first company in British North America to obtain a British charter to go into the fishing business after Canada came under British jurisdiction. A few years ago, in company with Sir Henry Thornton, I had the pleasure of visiting their old office in Paspebiac where I was shown the original documents of incorporation, which indicates that this industry was started when the west and Ontario were wildernesses, and when the province of Quebec was inhabited merely along the rivers. At that time Canada was only in its inception; the province of Quebec and the provinces by the sea constituted Canada.

We must not overlook the fact that something is coming to the fishermen of the maritime provinces. After this question has been considered by the fisheries committee and the government, this or any other government, I hope the suggestion that has been advanced this afternoon will be accepted and a body of competent men appointed to develop this industry as it should be developed. Our fisheries, along with farming, mining and lumbering, constitute the basic industries of the country. When our fishermen and our farmers are prosperous our railways will be prosperous, our factories will be busy, our workingmen will be employed and everything in the country will boom. I believe we have overlooked the fisheries; they have not received the attention or the consideration they deserve, and I think the hon. member for Inverness (Mr. Macdougall) and the hon. member for Gloucester (Mr. Veniot) should receive the thanks of this house for having directed attention to this question. I want to assure our colleagues from the provinces by the sea that the members from Quebec are prepared at all times to aid any efforts they may put forth to restore the fisheries to a sound position. To-day the situation of these fishermen is precarious and very alarming. In my own constituency the catch has been poor, the prices low and transportation costs high, and the industry has suffered a very great deal. Anything that can be done by the fisheries committee, by the government or by a permanent commission to aid that industry will meet with my hearty support, and, I hope, the general support of all members.

Mr. MACDOUGALL: I do not intend to speak at any great length after the discussion we have had this afternoon. I should like to tell hon. members, however, that when I placed this resolution on the order paper I did so because I considered it one part of a general scheme for the improvement of the fisheries of the maritime provinces.

I listened to the remarks of the acting minister, who suggested that this resolution be referred to the fisheries committee. I am quite in accord with that suggestion, because it will give an opportunity to certain people who are particularly interested in the primary producers to appear and give their views in regard to the operation of beam trawlers and their effect on the fishing industry.

This afternoon the old argument has been repeated, that in asking for the abolition of beam trawlers you might as well ask people to return to the old spinning wheel. Well, in some parts of the country it might be a good thing to return to the old spinning wheel. I might point out, however, that the underlying principle in regard to the installation of machinery in industry since the industrial revolution has been that it would better the conditions of mankind. When we come to the point where the man-made machine is putting the God-made man out of work, as the beam trawler is doing in the province of Nova Scotia to-day, I say we must curtail and curb the activities of that machine.

Hon. members have said that the abolition of these trawlers would not help the fishermen. Let me tell my hon. friends that last year 18,000,000 pounds of fish caught by beam trawlers were landed and sold in the province of Nova Scotia. What would that have meant to the fishermen if there had been no beam trawlers? To furnish this quantity of fish would have required ten Nova Scotia-built power vessels during the winter months and a total of 250 fishermen, with a fleet of several hundred small vessels during the summer months. It would have required a bait supply of from 1,500,000 to 2,000,000 pounds, which would have furnished employment for scores of net fishermen along the shores.

As I have said this is only one part of a general scheme to improve the condition of the fishermen in the province of Nova Scotia. I want to say to hon. members of this house, irrespective of their party politics, that the people of Nova Scotia are wholly in earnest about this matter, and that constructive steps must be taken by the Department of Fisheries here, who have control over the fishing industry of our province. If they cannot control that industry then in the name of God let them hand it back to the province of Nova Scotia, and we will find men who can control it.

I accept the suggestion of the minister, and accordingly I move that this resolution be referred to the fisheries committee.

By leave of the house, motion (Mr. Macdougall) referred to the standing committee on marine and fisheries.

INCOME TAX

PROPOSED RESTRICTION OF CERTAIN EXEMPTIONS TO CANADIANS OR BRITISH SUBJECTS

Mr. A. E. MUNN (Vancouver North) moved:

That, in the opinion of this house, it is expedient that the government should consider the advisability of amending the income tax exemption clause to read as follows:—

That in all cases income tax exemptions as applied to married and single persons should not apply to others than Canadians or British subjects.

He said: Mr. Speaker, my ambition is to help the Minister of Finance (Mr. Rhodes) secure more revenue. During the 1933 session I introduced a resolution which the minister gallantly accepted, and I do not think he has regretted that step because I feel sure it has brought in quite a large amount of revenue.

Before proceeding, Mr. Speaker, I should like to amend my resolution by adding the words "resident in Canada for five years" after the words "Canadians or British subjects." If people from foreign countries after living here five years have not shown any intention of becoming naturalized I do not see why they should be allowed tax exemption similar to that given Canadians and British subjects. I am of course referring to the ordinary tax exemptions whereby a man in receipt of an annual income of $2,000 or $3,000 is permitted a certain exemption, and the remainder is taxed.

In my view this suggestion should be put into effect. Through its operation I believe a greatly increased amount of taxation would be collected from people who can well afford to contribute. I should have mentioned in the resolution that the persons indicated should not be allowed tax exemption after five years' residence in Canada and under the conditions I have outlined. With this amendment I shall be content to let the matter stand without entering into a lengthy discussion. I simply offer the matter for consideration.

Hon. E. N. RHODES (Minister of Finance): Mr. Speaker, I had an appointment this afternoon which occupied my time until only a very few moments ago. I had not anticipated this resolution would be moved to-day, in view of the fact that there are on the order paper a number of resolutions which in the ordinary course of events would have been considered before it was called. Had I known it would be reached to-day I should have been better prepared to make a complete statement of my views.

Had the hon. member supported his resolution with argument and presented facts which would warrant the acceptance of the resolution by the house, I should have been better pleased.

Mr. MUNN: We do not need any argument.

Mr. RHODES: The hon. member has contented himself with moving the resolution, and nothing which he has said so far as I am concerned calls for a reply. However, having regard to the circumstance which I mentioned, namely that I had not anticipated a discussion of the subject this afternoon, I shall proceed to make some general observations.

Mr. MUNN: May I tell the minister that I did not expect the resolution to be reached this afternoon.

Mr. RHODES: My answer would be that there is only one minister of finance but there are numerous hon. members each of whom may move his resolution when he

chooses and each of whom has plenty of time in which to prepare any statement he may wish to make.

There is a very grave objection to the acceptance of the principle contained in the resolution, namely that it would invite retaliation on the part of other countries. The whole tendency in taxation matters has been that there should be reciprocal arrangements between the different countries so that credit may be given in one country when in fact income tax has been paid in another, an arrangement which exists between Canada and many other countries. If we were to put into effect the resolution before the house we might expect retaliation from the United States.

Mr. YOUNG: Do not provoke them.

Mr. RHODES: It is but fair to point out that beyond question there are many more Canadians resident in the United States than citizens of the United States resident in Canada. I make special reference to the United States because of the fact that this resolution applies only to foreign countries; it does not apply to British countries. In effect its application would be confined to the United States.

Mr. NEILL: No.

Mr. RHODES: If as the hon. member apparently assumes it would involve an increase in revenue there might be some virtue in the suggestion, because if I mistake not the hon. member's idea is to assist in increasing the revenues, as he had advocated at previous sessions. If the resolution were carried in its literal terms and taxation were imposed as provided by it, all the income of foreign residents in Canada would be involved; because he specifically states that the income tax exemption shall not apply. I take that to mean that he would tax the wages and small salaries of those who would be affected by the application of the tax. Information I have received from the income tax branch is to the effect that the machinery which would be required to deal with the collection of incomes now exempt, namely incomes in the smaller brackets, would involve an expenditure which would be greater than the amount returned to the treasury. In the lowest bracket of those who pay income tax in Canada there were in the year 1932-33 63,276 persons who paid income tax amounting to $416,776.46. That sum is exactly 1·5 per cent of the total amount collected from individuals. These figures would indicate that from the large number of persons in the lower brackets we received only a small percentage of the total tax collected. One could only hazard a guess as to how many thousands might be included among those who would be called upon to pay income tax if the government were to accept this resolution and to bring down legislation based upon it. But I submit that even if it meant many thousands, their income in the main would be in the lower brackets, because my hon. friend would remove the exemptions; and the amount of money therefore which we would receive into the treasury would be only a fraction of the total income tax collected. As I have said, the officials of the income tax branch advise me that the probabilities are that the costs of collection and the machinery of collection which it would be necessary to set up in order to deal with it would involve a greater outlay than the treasury would receive in income as a result of its application.

I might point out further that with respect to the number I have given, those who are in the lower brackets represent forty per cent of the total number of income taxpayers in Canada, and yet, as I have indicated, the amount collected from them represents but 1·5 per cent of the total income tax collected. I do not stress that angle, although I think it is fair that we should respect the advice given to us by those whose business it is to deal with the collection of income tax.

Should the resolution be adopted and the principle it asserts be put into operation, not only would we be certain, as I have indicated, to invite reprisals on the part of our friendly neighbour to the south, to the detriment, on balance, of Canada and Canadian citizens because of the reasons I have given, but I would point out that at the moment we are in negotiation with our friends to the south in matters of trade, and it would strike me as being a very inopportune time to take a step of this kind while those negotiations are in progress. I do not know that I would stress that phase of the argument, but I do submit that it certainly is not good neighbourliness and it would not be good tactics, bearing particularly in mind the fact that a similar attempt has not been made by the United States to deal similarly with Canadian residents in that country.

Mr. MUNN: In other words, be very careful you do not offend them at the present time.

Mr. RHODES: No, that is not the argument at all, Mr. Speaker. I just leave it to the common sense judgment of the house whether, when you are in the midst of negotia-

tions, it would be good judgment to take legislative action by parliament directed against practically only one country in the world, namely, the United States. If it were a matter of general application applying to all the world, and arguments could be made in support of the resolution, that would be one thing; but in fact it applies, and it might as well say so in terms, to one country so far as any value to the treasury is concerned, and to one country only, namely our neighbour to the south. I should be the last to subscribe to the doctrine that Canada should not legislate for itself, but I do say that if we expect to conduct negotiations in a friendly manner with a view to a successful issue between Canada and the United States we would be very ill-advised at this time to take a step such as is suggested, which could be open to only one construction. I do not stress that point. I mention it incidentally, but I do think that on the merits, on balance Canada would be the loser if we were to attempt to pass this resolution and to base upon it legislation bringing it into effect.

I should have dealt more completely with the subject and given more facts and figures, as I have indicated, had I had the slightest idea that this resolution was coming up to-day. But I trust that I have given to the house sufficient indications that we would be very unwise to accept this resolution or the principle which it embodies, if not at any time, certainly at this moment, and I trust therefore that in the judgment of the house the resolution will not be accepted.

Mr. A. W. NEILL (Comox-Alberni): Mr. Speaker, the Minister of Finance (Mr. Rhodes) said that he had not been able to give that attention to this motion that he would have liked, and apparently someone in his department furnished the information on which he largely rests in his remarks. Whoever drew up the brief or prepared the data appears to have gone upon the idea that, if he could not produce one good argument against the proposition, the next best thing to do would be to produce a lot of poor argument hoping that the cumulative effect of six poor arguments would be as great as one sufficient argument. The Minister of Finance himself said from time to time as he brought forward the various arguments that had been placed in his hands, evidently feeling compelled by his sense of fairness and his sense of logic: "I would not stress that point." The idea seemed to be that by giving a number of poor arguments it would result in the same force as one substantial argument, which is not I think logical.

The minister asks someone to produce a reason for this resolution, to advance some argument in favour of it. I would suggest this, that it would encourage people to naturalize, a very good thing indeed in this country. We have only to think back to the war, when I saw men who had been in the country far beyond five years and who were deliberately not naturalizing because they could draw eight or nine or ten dollars a day while Canadians at the front were getting $1.10 a day. The old age pension law requires people to be twenty years in Canada before they can get a pension, and I know of people who had lived many years in Canada and became naturalized only a few weeks before they applied for a pension. Some had lived in Canada for twenty years without thinking Canada good enough to become a citizen of it in that time, but when it was a question of getting an old age pension then they rallied around and sought to be citizens of this country.

This resolution would encourage people to become naturalized. Some people deliberately do not naturalize in order to evade their responsibilities, and it is not desirable to have in any nation a large body of aliens standing aloof from the interests of the country which has supported them for ten or fifteen years. If they were encouraged to naturalize they would probably come, as men will, to take more interest in the country and more interest in its government. On the other hand, if they do not naturalize, then this resolution if adopted and carried into effect would produce some revenue for the Minister of Finance.

I suppose we are in the habit of thinking of immigrants as poor people, the man with the sheepskin coat, and so on, who would be drawing only a few dollars in wages, and as the minister says, the cost of collecting the small amount would not pay. But rich aliens also come to this country and stay in it for many years, people with large incomes who do not bother to become naturalized. The trouble that the minister suggests in regard to the cost of collecting from men drawing a small wage could easily be got rid of by having an exemption of, say, $500. But I think that the proposition which the hon. member for Vancouver North (Mr. Munn) had in mind was rather to take the exemption off the man who had a good income. If a man had $5,000 or $6,000 and you took the exemption of $2,000 off, the last $2,000 of his income would be dealt with much more lightly than if that exemption remained, and it is in such cases that the crown would benefit from increased revenue. Of course, as the

hon. member said, it would be necessary to put in a provision that it would not apply to aliens for the first five years, because that would not be fair. But after they had completed the period within which they could qualify for naturalization, then I ask the minister or anyone else, why should they not naturalize? If the country is good enough for them to make a livelihood in, if they get the protection of our laws, why should they not naturalize? There is no reason that I know of which can stand investigation. The minister spoke about retaliation and said that we had a working agreement, so to speak, that the foreigners in each country should not be taxed on their incomes. I think that applies particularly to Britain.

Mr. RHODES: Surely my hon. friend must be aware of the fact that I made no such statement. I did not say that they were exempt from taxation but that they were given credit in one country for the tax paid in the other. The hon. member likes to be accurate, according to his own assertion. He is assuming that foreigners are not to be taxed. They are taxed. But this resolution calls upon those to pay taxes who otherwise would be exempt because of the exemption clauses.

Mr. NEILL: Yes, but there is an exemption of one or two thousand dollars, and for their children four or five hundred, and the motion proposes to take these exemptions off so that they will pay more seeing that they choose to live in the country without becoming citizens of it. The minister says it would apply almost entirely to the United States and would be regarded as an unfriendly action. That is not so. It would apply to every nation, and whether in its working out there might be more Americans here than nationals of other countries, that is a matter of detail. But no nation takes umbrage at such action unless it is deliberately directed against itself.

Mr. RHODES: I did not say it was an unfriendly act; I did not use such a word or such an expression

Mr. NEILL: I think I am justified in putting such an implication on it, when he said that it was an undesirable time to take such action because there might be retaliation.

Mr. RHODES: That is a different matter.

Mr. NEILL: Well, something that provokes retaliation would naturally be unfriendly. My point is that a nation would naturally take offence at a resolution such as this if we made it apply to that nation exclusively. If we made it apply only to the United States they would certainly take offence, but when we say that it applies to everyone in the whole world they cannot take umbrage. And the actual details would not concern them. The suggestion was made that it might provoke retaliation against Canadians living in the United States, and it was pointed out that there are more Canadians living in the United States than there are Americans living in Canada. I do not know that it would be a dreadful thing if Canadians in the United States did pay more income tax. At any rate we are legislating for Canadians in Canada and not for Canadians in the United States, and I do not think it would do any harm particularly. I would also point out to the minister that after all the resolution only proposes that the government should consider the advisability of the matter, and if he allowed the resolution to pass it would be open to him after thorough consideration of it to decide against it if he came to that conclusion. But seeing that it has not had full consideration, seeing that he himself states that he would like to have given it more consideration, I suggest that he might let it go through and it would be left to his own judgment to deal with it as he saw fit after thorough consideration.

Mr. MUNN: I did not intend this to be personal in any way, and I do not think the Americans will stand the heavy end of the penalty. I was not after the fellow in the lower brackets in particular. A good many people in Canada who are not Canadians or British subjects are earning from five to ten thousand dollars a year and are subject to these exemptions, and they are the fellows I am after. I have not in mind those receiving six or seven or eight hundred dollars a year. But that is a detail that could be taken care of.

The minister says that his officials tell him that if this were put into effect the results would not meet the extra expense. I doubt that statement very much; I do not think it has been carefully considered. I discussed the matter with one of the best tax auditors in Canada, one of the very best, and he calculated that if it were put into effect by the federal and provincial authorities it would bring in at least another million dollars in taxation throughout Canada.

I do not want to antagonize anyone. The minister says that he does not wish to adopt the motion at the present time, and I shall be pleased to withdraw it and let it stand at that. But it is something which the tax officials might keep in mind. There is a leakage, because there are taxes which we should get and

are not getting. With the consent of the seconder I beg to withdraw the resolution and let the matter stand.

Motion (Mr. Munn) withdrawn.

BRITISH IMPORTS OF RUSSIAN TIMBER

On the orders of the day:

Mr. T. F. AHEARN (Ottawa): I wish to ask the government a question based upon a dispatch appearing in the Montreal Gazette, of to-day's issue, February 6:

Canada To Lose Lumber Trade
Deal Concluded Between Great Britain and Soviet
50 Per Cent of Canadian Export to Britain in 1935 Threatened
(By The Canadian Press)

Vancouver, February 6.—Contract between British Timber Distributors Ltd., and Soviet Russia has been signed, including the "fall clause," H. R. MacMillan, president of the H. R. MacMillan Export Company, Ltd., reported to-day upon receipt of a cable from London to that effect.

Closing of the deal between British Timber Distributors Ltd., and the Soviet Union means that eastern Canada and British Columbia will lose 50 per cent of their market for lumber in Great Britain, according to an estimate made by H. R. MacMillan in Montreal on January 11, in discussing the British-Soviet negotiations which were then in progress. Canada exported nearly one billion feet to Great Britain in 1934.

My question is: Has the government been informed that such an agreement has been concluded?

Hon. E. N. RHODES (Minister of Finance): I have not seen the dispatch in question but I will bring the matter to the attention of the Prime Minister (Mr. Bennett) as Minister of External Affairs, or of the Minister of Trade and Commerce, and it will be taken as notice of a question.

On motion of Mr. Rhodes the house adjourned at 5.55 p.m.

Thursday, February 7, 1935

The house met at three o'clock.

QUESTIONS

(Questions answered orally are indicated by an asterisk).

FARM LOAN APPLICATIONS

Mr. SPENCER:

1. What were the total applications for loans made to the farm loan board up to December 31, 1934, or nearest date available?
2. How many loans were granted to the above time?
3. What was the aggregate amount of these loans so granted?
4. What is the total farm mortgage indebtedness in Canada?

Mr. CAHAN:

1. Number of applications received up to March 31, 1934, 17,985.
2. Number of applications approved for loans up to March 31, 1934, 5,117.
3. Amount of loans approved to March 31, 1934, $10,692,250.
4. The total farm mortgage indebtedness in Canada as at June 1, 1931, was $726,026,500, as reported by the Dominion Bureau of Statistics.

RELIEF CAMP NO. 3—SEEBE, ALTA.

Mr. GARLAND (Bow River):

1. What provisions are made in relief camp No. 3, project 155, Seebe, for purposes of personal bathing and the washing of clothes?
2. What is the nature of the water supply at this camp?
3. Are the men in this camp called to work when the temperature has been 20 below zero?
4. Had there been complaints that clothes hung close to the wall are sometimes found frozen to the wall when morning comes?
5. What arrangements are made to receive and deal with complaints by the men, either in their own behalf or that of others?
6. Have men been ejected from this camp for having registered complaints?
7. When men are dismissed from this camp are some of the clothes they have been using taken from them?
8. Are men who have been ejected from one camp refused entrance into any other camp?

Mr. BENNETT:

1. Accommodation is temporarily being provided by using two contractors' tents, one for ablution and the other for laundry purposes, containing ablution basins, twelve wash tubs, one hand washing machine and two vacuum washers. Regular ablution hut now erected and fittings being installed.
2. At present hauled from spring by team in forty-five gallon drums. Gravity system from spring 1,000 feet away under construction.
3. Yes, cutting fire wood.
4. No complaints received; but during cold spell inside walls of all huts were very cold.
5. Any man has the right to lay complaints before foreman, assistant engineer, or any official and, if not satisfied, the matter is referred to headquarters, military district No. 13, Calgary.
6. No.
7. Men leaving camp are allowed to retain essential articles of clothing on loan.

8. Yes, unless the district officer commanding is satisfied that there is reasonable probability of their behaving properly in future.

FLOUR IMPORTS

Mr. REID:

1. What quantities of flour were imported into Canada during the calendar year 1934?
2. What were the various quantities from each country?

Mr. HANSON (York-Sunbury):

1. Canada's total quantity of wheat flour imported during the calendar year 1934 amounted to 178,175 barrels.

2. Canada's total quantities of wheat flour imported from various countries, during the calendar year 1934, were:—

Imports from	Barrels
United Kingdom	105,431
United States	3,338
Alaska	1
Australia	69,380
Hong Kong	25

MARKETING ACT, BRITISH COLUMBIA

Mr. NEILL:

1. In British Columbia, how many schemes have been proposed under the Natural Products Marketing Act?
2. What is the information as to each in the following particulars: (a) name; (b) present standing—whether sanctioned by the dominion marketing board, or application pending; (c) head office address; (d) names of proposed members of the local board; (e) proposed salaries to be paid such members?

Mr. WEIR (Melfort):

1. Nine, received by the Minister of Agriculture.
2. (a) 1. British Columbia tree fruit marketing scheme.
2. British Columbia salt fish marketing scheme.
3. British Columbia red cedar shingle export scheme.
4. Milk marketing scheme of the lower mainland of British Columbia.
5. Western halibut marketing scheme.
6. British Columbia (interior) vegetable scheme.
7. British Columbia coast growers' vegetable marketing scheme.
8. Doors manufactured in British Columbia.
9. British Columbia sheep and sheep products.

Note: Fruit export marketing scheme for Canada is applicable to British Columbia.

(b) 1, approved; 2, approved; 3, approved; 4, approved; 5, under consideration; 6, under consideration; 7, under consideration; 8, returned; 9, returned.

(c) 1. Kelowna, B.C.; 2, Vancouver, B.C.; 3, Vancouver, B.C.; 4, Vancouver, B.C.; 5, Prince Rupert, B.C.; 6, Kelowna, B.C.; 7, Vancouver, B.C.; 8, Vancouver, B.C.; 9, No information.

(d) 1. W. E. Haskins; O. W. Hembling; G. A. Barrat.
2. Hugh Dalton; K. Kimura; T. Matsuyama; R. Nelson, F. E. Burke.
3. British Columbia Red Cedar Shingle Export Assoc. (Agency).
4. Hugh Davidson; W. T. McArthur; Wm. J. Park.
5. Geo. Fritz; D. Ritchie; Geo. Anderson; E. Greenstrand.
6. T. Wilkinson; F. W. Hack; R. B. Homersham.
7. Arthur Swenson; A. H. Peterson; Joseph Maxwell.
8. Names not given in scheme.
9. No information.

(e) 1. $250 per month.
2. Chairman—$3,600 per year.
3. Salaries not given in scheme.
4. Salaries not given in scheme.
5. No salary authorized under scheme.
6. To be fixed by growers' delegates.
7. No salary authorized under scheme.
8. No information.
9. No information.

QUESTIONS PASSED AS ORDERS FOR RETURNS

UNEMPLOYMENT STATISTICS

Mr. JEAN:

1. Are there any accurate statistics as to the number of unemployed in Canada?
2. Who compiles such statistics?
3. In what manner are these statistics compiled?
4. On what sources of information are the statistics based?
5. What was the number of unemployed in Canada on December 31, 1934, or at the earliest possible date?
6. What was the number of unemployed, by province, at the same date?
7. What is the total number of dependents of those unemployed?

PICTOU, N.S. WHARF LUMBER PURCHASED

Mr. BRASSET:

1. Has a certain quantity of lumber been sent from Pictou, Nova Scotia, to the Magdalen islands for wharf construction?
2. If so, what quantity has been purchased and how much has been forwarded?

3. From whom was this lumber purchased and were tenders called for the purchase of same?
4. What price was paid for this lumber?

HORNBY SETTLEMENT PLAN

On the orders of the day:

Mr. JOHN VALLANCE (South Battleford): Mr. Speaker, on January 24 I directed a question to the Minister of Immigration and Colonization (Mr. Gordon). He was not in the house, and the Minister of Justice (Mr. Guthrie) promised to direct his attention to the question. I should like to repeat the question, in order to give the minister a chance to answer it or at least give us some information in regard to it. Will the minister lay on the table of the house copies of the scheme for local settlement under the Hornby plan in the provinces of Nova Scotia, New Brunswick, Ontario, Manitoba, Saskatchewan and Alberta?

Hon. W. A. GORDON (Minister of Immigration and Colonization): Mr Speaker, I have delayed answering the question because the plan of General Hornby, which I believe has been discussed by him with certain counties and probably with many individuals, never has been outlined in complete form to the department, I have written General Hornby, or had my officers write him, in the hope that he will outline to me the complete details of the scheme he has in mind. I have heard a good deal about it, but not being in possession of the complete plan he has in mind I thought it desirable to wait until he answered by communication. Then I will speak to the matter again.

INTERNATIONAL LABOUR OFFICE

On the orders of the day:

Hon. W. A. GORDON (Minister of Labour): Mr. Speaker, a few days ago the hon. member for Quebec East (Mr. Lapointe) inquired with respect to Canada's permanent seat on the international labour organization, and I promised to give the answer as soon as I had the information. With the permission of the house I would like to read a short statement.

Part 13 of the treaty of Versailles, which established the international labour organization, provided that its governing body should consist of representatives (a) of member states; (b) of employers' organizations, and (c) of workers' organizations. The states represented on the governing body were to be the eight states of chief industrial importance among the members of the international labour organization, who were to have permanent seats on the body, plus a number of states, first four and now eight, elected by the international labour conference for a three year term.

The question of determining which were the eight states of chief industrial importance presented difficulties from the inception of the organization. The first provisional list prepared in 1919 was challenged by a number of governments which thought they should be included in the first eight. It was not then known whether Germany and the United States would become members of the organization, and it was thought inexpedient to proceed to the establishment of a list which, everyone recognized, would require reconsideration if either of these great industrial states joined the international labour organization. Subsequently Germany decided to join the organization in 1920, but the United States deferred its application to enter until the summer of 1934.

In 1922 the council of the league to which the question had been referred decided that the eight members of the international labour organization should be Germany, Belgium, Canada, France, Great Britain, India, Italy and Japan. This list was prepared on the basis of seven criteria, namely:

(1) total industrial population (in the strict sense of the term) including the mining and transport industries;

(2) the proportion which the industrial population bears to the whole population;

(3) total horse-power (steam and water power), not including locomotives and vessels;

(4) Horse power per head of population.

(5) Total length of railways;

(6) Length of railways per thousand square kilometres of territory;

(7) Development of the mercantile marine.

The list thus established has been in effect since 1922. Last year, however, the entry of Russia into the League of Nations, which involved its accession to the international labour organization and the decision of the United States of America to adhere to the international labour organization, created a new situation which was further complicated by the withdrawal of Germany from the league and the international labour organization—subject to two years' notice of denunciation—which will elapse in November, 1935. It was clear to everyone concerned that this new situation would require the preparation of a new list of the eight members of chief industrial importance.

It was the view of the Canadian government that the determination of the eight states of chief industrial importance was, in the first instance, the function of the international labour conference—a body on which all members of the organization are represented—and which appoints three-quarters of the governing body, and that, consequently, the governing body itself was not warranted in assuming that function. From a careful study of the treaty and of the decisions affecting its interpretation we were led to the conclusion that whatever authority was competent to determine the list of eight states, this list should only be revised when the three-year term of the elected members of the governing body had expired. Finally, the question arose as to the criteria to be adopted.

These problems, primarily of a legal and constitutional nature arising out of the interpretation of the relevant parts of the treaty of Versailles and of the opinions expressed on earlier occasions in the council of the League of Nations, have been the subject of careful consideration by the government. They were discussed with representatives of the international labour organization in Geneva by the Canadian delegation to the last assembly of the league. We have since kept in close touch with the discussions which preceded the last meeting of the governing body, at which it was decided to revise the list of eight states of chief industrial importance, and bring the revised list into force at the first opportunity. Our concern in these discussions has been to see that the international labour organization remained constant to its constitution as it was laid down by the labour articles of the treaty and has been interpreted by the competent authorities established for that purpose.

The legal and constitutional questions raised in the course of the consideration of this question are of importance to the smooth functioning of the international labour organization, and the government are considering the advisability of requesting that steps be taken to clarify and place on a definite and unmistakable basis the procedure to be followed in determining at what periods and in what manner the list of eight states should be revised in future.

At the session of the governing body which ended on January 31, the governing body adopted a revised list of eight countries of chief industrial importance, namely the United States, Great Britain, Germany, France, India, Russia, Italy and Japan, and voted unanimously to accord Canada and Belgium seats on the governing body as deputy members until 1937. This solution of a difficult question has the great merit of securing the close cooperation and responsibility of the United States in the work of an organization with which Canada has been associated from the beginning and to which it is the policy of this government to give unwavering support. Nevertheless the constitutional administrative question cannot be said to be satisfactorily settled.

The correspondence that passed between the government and our representative at Geneva I regret to say I will not table because in the past it has never been the practice to table communications of that character, as they have been held to be confidential communications between a government and its representative.

BRITISH IMPORTS OF RUSSIAN TIMBER

On the orders of the day:

Right Hon. R. B. BENNETT (Prime Minister): Mr. Speaker, last evening the junior member for Ottawa (Mr. Ahearn) directed the attention of the house to a report in a newspaper respecting trade arrangements made between Timber Distributors Limited of Great Britain and the Soviet Union. I observe he placed upon the record a clipping from the newspaper which reads:

> Deal concluded between Great Britain and Soviet. Canada to lose lumber trade. Fifty per cent of Canadian export to Britain in 1935 threatened.

It is difficult to understand just why any newspaper should make any statement of the kind which is not borne out by the article in question. No deal or contract has been made between Great Britain and the Soviet Union. Timber Distributors Limited is a joint stock company operated, as I understand it, in Great Britain. Its members are largely dealers in timber. They have for a period of years made contracts for the delivery of supplies of timber from Russia to their yards in Great Britain which they, in turn, have sold to customers. There has been inserted in such contracts a provision known as the "fall clause," and under the provisions of an article in the Ottawa agreements the Canadian government is given the right to protest to the British government if as a result of the introduction of that clause into the contract the preference which is granted to Canada under the Ottawa agreement made with Great Britain is prejudicially or injuriously affected.

Last year we did protest against the so-called "fall clause" and other terms of the

contract made between the private enterprise known as Timber Distributors Limited and the Russian Soviet. As a result the board of trade determined on a middle course, and the obnoxious clause was eliminated, with the result that we secured a market for a very large quantity of timber in Great Britain. Of course we have nothing to do with the contracts which may be entered into between a private enterprise and the Soviet Union. They may make any contract they wish. But having made the contract, if it prejudicially affects the interests of Canadian shippers we then call upon the British government to take such steps as may be necessary to remedy the injury which may be done. Great Britain has secured for the executive from parliament the power to enable them to deal with the situation when necessity arises. We have already filed with the board of trade a statement indicating what the position of Canada is with respect to any contract which contains the fall clause or prejudicially affects the interests of our country in connection with the export of timber.

PELEE ISLAND COMMUNICATIONS

On the orders of the day:

Mr. ECCLES J. GOTT (South Essex): Mr. Speaker, I should like to direct a question to the hon. Minister of Public Works (Mr. Stewart). Connected with the constituency I have the honour to represent there is an island known as Pelee island which has enjoyed three sources of direct communication, namely by cable, telephone and aerial services. All services seem to be out of commission. I should like to know if the minister can give me any assurance that the services will be restored as soon as possible.

Hon. H. A. STEWART (Minister of Public Works): This is the first I have heard about the interruption of the services to which the hon. member has referred. I assure him without hesitation that inquiries will at once be made and communication reestablished.

EMPIRE TRADE AGREEMENTS

PROPOSED APPROVAL OF OPERATION OF AGREEMENTS CONCLUDED AT IMPERIAL ECONOMIC CONFERENCE, 1932

The house resumed from Thursday, January 31, consideration of the motion of Mr. Harris (Toronto-Scarborough):

That, in the opinion of this house, the operation of the trade agreements concluded at the imperial economic conference held at Ottawa, 1932, merits the approval of this house.

Mr. J. L. BROWN (Lisgar): Mr. Speaker, the resolution presently before the house calling upon us to endorse the Ottawa trade agreements of 1932 was, I have no doubt, put upon the order paper at the instigation of the government. Certainly it was put there with the government's hearty approval.

The purpose in putting this resolution on the order paper is abundantly clear. It was no doubt expected that it would greatly embarrass the members of the opposition to vote against the motion, but for my part, Mr. Speaker, I have not the slightest hesitation in accepting the challenge.

The objections that were urged against the Ottawa trade agreements in 1932 still hold. The right hon. leader of the opposition (Mr. Mackenzie King) has made it abundantly clear that those fundamental principles underlying these agreements to which we objected in 1932 are still there, and still open to all the objections that we urged at that time. In my judgment a great opportunity was missed at that Ottawa conference. It is not given to every man to have the opportunity to correct his blunders, but there was given to the Prime Minister the opportunity to correct the great blunder that he made at the first conference to which he went in England in 1930. But instead of embracing that opportunity he continued still to blunder, and the result was that the Ottawa agreements were built upon an utterly unsound foundation.

I had the pleasure of listening to the speech that was made by the Right Hon. Stanley Baldwin at the opening of the conference. I was sitting in a garage in a little town out in Manitoba at the time, and when I heard Mr. Baldwin's speech it filled me with delight. Stanley Baldwin expressed the hope that the agreements would be based upon reductions of tariffs rather than upon increases, but unfortunately the attitude of the Prime Minister of Canada was entirely different. He insisted that the agreements should be based upon an entirely different principle, and it is an open secret that on more than one occasion the Ottawa conference was on the verge of collapse. I have not the slightest doubt that had it not been for the spectacle which Great Britain and the dominions would have presented to the world if the imperial statesmen had gone home without an agreement, that actually that would have been the result, but it was simply impossible that the conference should disband without some agreement at least being arrived at; and so, Mr. Speaker, instead of calling those agreements, as the Minister of Trade and Com-

merce (Mr. Hanson) did, the bulwark of our trade, I say that they are a house built upon the sand rather than upon the solid rock of good will. There is no issue that I would welcome more heartily, no issue on which I would more gladly conduct a campaign in my constituency than the Ottawa agreements and the difference in the attitude of the two political parties on the question of an imperial preference.

I wish to discuss these agreements from two aspects; first, their effect on the revenue and the burden of taxation; and secondly, the supposed effect of the six cents preference on wheat. But first I should like to make a few general remarks.

It is a false assumption that everything that has happened since the Ottawa agreements has been the result of those agreements. It is a very common thing for people who do not reason closely to say that, because such and such a thing was done, therefore this is the result. I know that the hon. Minister of Finance (Mr. Rhodes) is well aware that the most common fallacy that is known in logic is "post hoc, ergo propter hoc." It is the most common fallacy to assume that because such and such a thing happened or was done that everything that subsequently followed was the result of that preceding event. It has been pointed out by the right hon. leader of the opposition that we have that fallacy to-day, the assumption that because certain things have happened in connection with our trade they are necessarily the result of the Ottawa agreements. But, Mr. Speaker, there are many other factors that have entered into the problem and these must be taken into account. Every factor must be given due consideration in endeavouring to come to a conclusion on questions such as these.

I might also point out that very often we have an entirely wrong use made of statistics. It is one thing to quote at length statistics that may be right or wrong—we will admit that they are right—but it is another thing entirely to draw correct conclusions from those statistics. It is one thing to recognize facts, and an entirely different thing to draw the proper conclusion from those facts. We have had statistics presented to the house but we found that the conclusions drawn from them were entirely wrong. Let me give a simple illustration that we had in this house not very long ago of how entirely wrong conclusions can be drawn from certain facts.

The Prime Minister undertook to paint us a picture of the result of the by-elections. It was a picture very different from what some others of us might paint. The Prime Minister is evidently an expert at extracting sunshine from cucumbers, and it would be quite easy to show that the conclusions that can be drawn from the facts are very different from those which the Prime Minister drew.

I would like to say a word in commendation of the hon. Minister of Trade and Commerce. I am glad to congratulate him on the high office to which he has been appointed and to which I am sure he will do honour. I should like to quote a few sentences from his speech in this debate. He said:

> I believe Mr. Fielding's chief claim to fame in history—and I desire to accord to the memory of that very great gentleman that which was his due—will be the fact that he brought in the British preferential tariff. But I also believe that Mr. Fielding and Sir Wilfrid Laurier, if they had confessed what was in their inmost hearts, would have admitted that when they made that gesture for empire trade, they also held the firm belief that the government of the United Kingdom would reciprocate. But this did not occur.

May I congratulate the hon. Minister of Trade and Commerce upon the moderation he displayed in making that statement. No one can object to a statement like that. It may or may not be true that Sir Wilfrid Laurier and Mr. Fielding had in their inmost hearts the hope that there would be reciprocal preference. Whether that be true or not we do not know, but there was no harm at least in the Minister of Trade and Commerce saying that.

Mr. HANSON (York-Sunbury): At the imperial conference of 1897 Sir Wilfrid Laurier specifically asked for it.

Mr. ROWE: And in 1902 and in 1907.

Mr. BROWN: I am afraid that I shall have to withdraw some of the compliments that I have passed on my hon. friend.

Mr. HANSON (York-Sunbury): You will have to revise your own information.

Mr. BROWN: I expressed my appreciation of the language that was used by the Minister of Trade and Commerce the other day when he said he believed that these two eminent statesmen had in their inmost hearts the hope that there would be reciprocal preference. If the Prime Minister would be as moderate in his language as that, one of our chief complaints against him would be removed. But he does not content himself with saying that he believes that these men in their inmost hearts hope for reciprocal trade. What he undertakes to do in season and out of season is to show that the policy of Sir Wilfrid Laurier and of Mr. Fielding was the

same as his own policy, and he tries to do this by partial quotations, by taking statements here and there apart from their context, and without any regard to the circumstances under which they were spoken. By so doing he has again and again tried to impress upon the people that Sir Wilfrid Laurier's attitude was the same as his own. It has been an entire misrepresentation of the attitude of the Liberal party.

Mr. HANSON (York-Sunbury): Will the hon. member allow me a question? If not I will sit down.

Mr. VALLANCE: Remember, you are in the ministry now.

Mr. HANSON (York-Sunbury): Has the hon. gentleman read the report of the imperial conference of 1926 in which his leader asked for reciprocal trade?

Mr. BROWN: Let me tell the difference between the attitude of the Conservative party and the attitude of the Liberal party. The attitude of the Liberal party, as I understand it, has always been that if Great Britain saw fit to concede preferences we were willing to accept them; and there is no question that at one time, when the British government did impose duties, Sir Wilfrid Laurier did ask that in that case Canadian products might be exempt from those duties. There is no question about that fact. But that is an entirely different thing from demanding that Great Britain should change her fiscal policy for our benefit. Sir Wilfrid Laurier knew perfectly well that Canada would greatly resent any suggestion from Britain that we should change our fiscal policy to benefit her, and he knew, as we knew, that it would be regarded as an impertinence for us to suggest that the British government should change its fiscal policy in order to give us preferences. There is all the difference in the world between these two policies, and if anyone has any doubt on this point I would commend to him a reading of the speech made by the Prime Minister in defending these agreements in 1932, and after that a reading of the speech made by the leader of the opposition, who completely demolished every argument advanced by the Prime Minister.

Mr. BELL (Hamilton): There is a limit to all things.

Mr. BROWN: It is somewhat unfortunate that hon. gentlemen opposite are unable to differentiate between two things so essentially different that even kindergarten children would be able to distinguish between them. I said I would discuss this question from the standpoint of the effect on the revenues and I will call two witnesses.

Mr. BELL (Hamilton): I always knew there were Grits.

Mr. BROWN: I do not object to these interruptions; I rather delight in them, only I do not want them to use up too much of my time.

Mr. BELL (Hamilton): Thank heaven they were on your side.

Mr. BROWN: As to the effect on the revenue, the first witness I will call is the Minister of Finance, and I want to say to him that I am discussing these Ottawa agreements as a part of the general tariff policy of the government. The hon. member for Queens (Mr. Myers) made the statement the other day, which is quite correct, that the foundations of these agreements were laid in the short session of 1930; so that when we consider the Ottawa agreements, from the standpoint of their effect on the revenues, we must consider them as part of the tariff policy of the government. I believe it was in his first budget speech that the Minister of Finance made a statement something like this, in referring to the fact that the customs revenue had been reduced; he said that it was in part attributable to the policy of this government in encouraging home trade. Because of that reduction in customs revenue, brought about by this policy, he had to impose other taxes. There was the tax on sugar, there was the 3 per cent excise tax, so called, and there was an increase in the sales tax. I will call another witness, this time the hon. member for Souris (Mr. Willis). The hon. member for Souris seems to have been acting as spokesman for the Conservative members from the prairies. Throughout the west he has been making speeches, and the whole attempt of these hon. members is to try to show that the burden of taxation was increased under the late government. I have here a copy of the Winnipeg Free Press in which there is a report of a speech made by the hon. member in Winnipeg. The Free Press printed it very fully, and the only criticism I have to make is that it was not placed among what children call the funnies. The hon. member was trying to show these people in Wininpeg—he did not seem to have a high estimate of their intelligence—that the former government had increased the burden of tariff taxation upon the people. Point No. 3 says—

Mr. WILLIS: Read 1 and 2; they are good too.

Mr. BROWN: I cannot deal with the whole speech.

Point No. 3 was the Free Press assertion that under Mr. King "there were reductions in tariff taxation and in the sales tax, which was almost wiped out." Of this Mr. Willis said:—

Listen to this:

"The peak of tariff taxation was reached in the year ending March 31, 1929, when the King administration obtained more than $200,000,000 from the people, whereas in 1933 tariff taxation netted only $65,000,000."

What does the Minister of Finance think of that? While he is deploring the fact that the revenues have been reduced to such an extent that he deems it necessary to impose a sugar tax, a sales tax and a three per cent excise tax, the hon. member for Souris goes through the country taking satisfaction from the fact that the revenues had been reduced from $200,000,000 to $65,000,000. What sort of argument is that to put to the people? I am perfectly right in saying that it ought to be placed among the funnies. The unfortunate thing is that he is not alone. I understand that hon. members from the prairies are making the same statement. When the Minister of Trade and Commerce was speaking he referred to the fact that the Liberals had adopted as a matter of policy a reduction in the tariff and I am reported as having said: "Tell that to the western provinces." What I did say was: "Tell that to the western Tories," for they have always been contending that the burden of tariff taxation was greater under the Liberals than it had been previously.

Let me give an illustration and see whether hon. gentleman can understand it. Supposing I buy a suit of clothes from England at a price of $50 and there is a duty of 30 per cent; that suit would cost me $65 and the government receives $15. Next year I happen to be a little more prosperous and I find I can stand the purchase of two suits of clothes. In the meantime the tariff has been reduced from 30 to 25 per cent. In that case I have two suits of clothes for a price of $100 and the government has received $25 in revenue, or an additional $10. Under the peculiar reasoning of hon. gentleman opposite I have had the extra burden laid upon me because I have been able to buy two suits of clothes and contribute more to the revenue. That is the same kind of argument as was used by the hon. member for Souris.

We have heard something about a certain study club that was supposed to study these questions and a famous document was prepared for that club. I heartily commend the idea; it is badly needed, and I hope the Minister of Finance will undertake to instruct that particular club in some of these very elementary principles of tariff taxation. They might be instructed that it is sometimes possible to have a low rate of duty and a largely increased revenue. They might learn above everything else that the amount of tariff taxation that is seen in the customs returns is only a part and often a very small part of the total burden that is laid upon the people by the tariff.

There is another item in that speech to which I wish to refer. The hon. member undertook to answer the statement that the sales tax had been reduced. Listen to what he said:

Reductions in the sales tax are claimed, whereas in the fiscal year, 1923-24, $100,000,000 was obtained, the highest on record.

Why does the hon. gentleman go back to 1923-24? Does he think that answers the statement that under the then Liberal government the sales tax was being reduced? In common fairness ought he not to have taken more recent figures than those? We know the history of the sales tax. When the Liberal government came into power the sales tax was imposed at three different points, the tax being I think two per cent at each point. Some say two and a half per cent and I am not sure just which it was but it does not matter. First it was applied to the importer or manufacturer, then to the wholesaler and then to the retail man. It was found in the actual working that, in the pyramiding, it amounted sometimes to as much as eight per cent. That method was found to be rather cumbersome and the Liberal government consolidated the tax at six per cent which was really a smaller tax than had prevailed under the Conservative government. The Liberal government gradually reduced that year after year until in the last full year of the Liberal government—

An hon. MEMBER: Pre-election.

Mr. BROWN: Do not talk about pre-election. From the bureau of statistics I learned that the sales tax had been reduced to $34,936,375.98 on domestic sales and $9,922,-325.22 on importations. When Mr. Dunning delivered his budget speech in May, 1930, he indicated that the sales tax was to be cut in half, that is, reduced to one per cent. I think I am right in saying that in the short session of 1930 no change was made in the sales tax so that for all the fiscal year ending

March 31, 1931, the rate still held and for that year the figures were $16,586,975.30 on domestic sales and $4,196,968.85 on importations. I again ask the house: Is it fair to the people of Canada for hon. members to use an argument of that kind? I will leave it to the house to characterize it for itself; I might fall foul of the Speaker were I to attempt to do so.

I am now going to deal with the supposed effect of the six cent preference on wheat. In the same speech the hon. member for Souris said:

> Under the Ottawa agreements, the six cents per bushel British preference on wheat has resulted in increased sales to that country.

That is his statement; it is a very general one, but it cannot be borne out by the facts. There is not a tittle of evidence to support it; indeed, all the evidence is to the contrary. I have before me a statement which I received from the bureau of statistics just the other day in answer to a request. In 1932, the year of the Ottawa agreements, the proportion of British imports that were supplied by Canada was 44·35 per cent; in 1933 it was 40·55 per cent, and in 1934, 34·8 per cent. Does that show that the Ottawa agreements resulted in an increase in the imports from Canada into Great Britain? It indicates rather the reverse. I shall however be more fair than the hon. member for Souris is in this matter. I am willing to say that the 34·8 per cent seems to represent over a period of ten years about a fair proportion of the British imports that went from Canada and I have the figures under my hand. I have also the quantity of wheat that was exported via Canadian ports and via United States ports to Great Britain. There is this interesting fact that when we consider the value of those exports, via Canadian ports it amounts to 77·39 cents per bushel and via United States ports to 77·069 cents per bushel. I presented similar figures last year when I was able to show that wheat shipped via United States ports to Great Britain brought a slightly higher price than wheat sold via Canadian ports. I could not give an explanation of that. I asked for one and the then Minister of Trade and Commerce suggested that it might be because wheat going via United States ports is of a higher grade. I have made inquiries as to that and there is no reason to believe wheat going via United States ports is of any different grade from that going via Canadian ports. There is the situation. I maintain there is not a tittle of evidence as regards either quantity or price to show that any benefit whatever has been received from the six cent preference.

There is another matter that I want to clean up in connection with the wheat situation. I have to come again to a speech made by the Minister of Trade and Commerce. He made a speech in Saint John, N.B., a short time ago, of which I shall read a few sections. Again I can congratulate the minister upon his straightforwardness in expressing the government's attitude in regard to this six cent preference on wheat going by American ports, as contrasted with the somewhat evasive attitude of the Prime Minister (Mr. Bennett) and the former Minister of Trade and Commerce (Mr. Stevens).

> Efforts to defeat the plan to benefit Canadian ports through the empire trade agreements by shipping Canadian grain to the United Kingdom from New York and still obtaining preferential tariff treatment have been unsuccessful so far, Minister of Trade and Commerce R. B. Hanson said at a banquet here in his honour Friday night.
>
> Recent increases in the movement of Canadian grain through United States ports had been made up of grain destined for foreign countries, and Canadian ports were handling the wheat bound for the United Kingdom.
>
> "From time to time efforts have been made to overcome and defeat the preferred position we have received in the markets of the United Kingdom, and to obtain the preference for Canadian grain stored in Buffalo," said the minister.

Remember, the minister is speaking to a maritime province audience and is trying to convince them that this particular agreement was a benefit to their ports. That seems to be what he had in mind. He goes on to say:

> Very recently and since coming into the department, my attention has been directed to the fact that between August 1, and November 23, a very substantial quantity of Canadian wheat had been shipped out via the port of New York.
>
> "Being fearful a portion of this grain was being shipped to the United Kingdom and accorded the British preference—

Think of that, "being fearful" that some Canadian grain was being accorded the preference.

Mr. HANSON (York-Sunbury): Via American ports.

Mr. BROWN: We do not care about whose ports.

Mr. HANSON (York-Sunbury): I am glad you said that. That will crucify the next Liberal candidate in Saint John.

Mr. BROWN: All right, I shall have more to say.

Mr. HANSON (York-Sunbury): I hope you will, go right ahead.

Mr. BROWN:

—I took steps to ascertain the facts, and I find that while in the period in question 9,146,000 bushels of Canadian wheat were exported to Europe via the port of New York, not a single bushel of this huge quantity went to the United Kingdom;

He further says:

So I think we can safely say that so far as the matter can be controlled, either by the Canadian government or by the United Kingdom government, Canadian grain for consumption in the United Kingdom is now being exported via Canadian ports.

Now let us have some facts. I am not going to dispute the figures the Minister of Trade and Commerce gave, because he reports the New York shipments, while my figures refer to American ports in general, so there may be some discrepancy. But during those months he refers to, if I draw the correct inference, in September at least 1,560,560 bushels must have gone to Great Britain from American ports. We shipped via Canadian river and sea ports 4,597,833 bushels, and the total exports of wheat to the United Kingdom from Canada were 6,158,393 bushels. So the difference must have been made up by that part of the cargoes which went from American ports, shipped to the old country for orders. No other explanation can be given for that.

Mr. HANSON (York-Sunbury): You are all wrong.

Mr. BROWN: Then there is this further fact, that in December on the same calculation almost 2,000,000 bushels were shipped via American ports.

Going back to May and June we find shipments in May of 7,479,281 bushels and in June 7,752,227 bushels. That was before the present minister came into office. But here is the situation. The minister was telling his maritime audience of the great benefits to their ports by reason of the actions of this government, but these figures show that there is not a bushel more going via Canadian ports than there was formerly, or a bushel less going via American ports. So hon. members from the maritime provinces may take this as conclusive, that as far as protecting the trade via their ports is concerned this preference does not amount to anything, nor does it as far as the price we have received or the amount of wheat we have shipped are concerned.

Mr. HANSON (York-Sunbury): Would the hon. gentleman allow a question? Is he able to say, on the authority of any official communication that he has, that any wheat going via American ports has been accorded the six cents preference?

Mr. BROWN: No, I do not say that.

Mr. HANSON (York-Sunbury): But you tried to leave that inference.

Mr. BROWN: No, I am distinctly disclaiming that. I say the minister is to be congratulated on having made a clear and straightforward statement of the policy of the government. We suspected some time ago, when this thing was up, that that was the policy of the government, but the evasive answers that we got from the Prime Minister and the former Minister of Trade and Commerce left us not knowing where we were. Now I think it is for the government to make a clear statement that that is and has been the policy of the government. If it had been candidly avowed before this the country would have had a better understanding of the whole situation.

Mr. HANSON (York-Sunbury): Page the hon. member for Restigouche-Madawaska (Mr. Michaud).

Mr BROWN: I am not concerned with that at all. The hon. member for Restigouche-Madawaska and the other maritime members can take these figures, and I shall show them that in spite of the claims of the minister these particular agreements have not been worth a hoot to them.

Mr. ROWE: Would you be in favour of rescinding them?

Mr. BROWN: You can rescind the preference as soon as you like as far as I am concerned, because it never amounted to anything, never did a particle of good. I challenge hon. gentlemen opposite to give us any figures proving that we get any benefit.

Mr. TURNBULL: Would you rescind the whole treaty?

Mr. SPEAKER: The hon. member for Lisgar a moment ago permitted an interruption; had it not been for that I should have intervened some time since.

Mr. BROWN: I have no objection at all to interruptions.

Mr. TURNBULL: I have no intention of interrupting without the hon member's consent, but I ask if he would be in favour of rescinding the whole treaty.

Mr. BROWN: I am going to say this—

Some hon. MEMBERS: Answer the question.

Mr. BROWN: It would be a strange treaty indeed that had no bright spots in it, but I say without hesitation that I have not the slightest fear that any modification that might be made or proposed by the Liberals would prejudice or have any ill effect on our exports to the old country. Our attitude to Great Britain has been infinitely more acceptable to them than the attitude of the Conservative party. Did we ever hear of recriminations before this treaty came into effect?

Mr. HANSON (York-Sunbury): You gave everything and got nothing.

Mr. BROWN: There was nothing but good will. Did we ever hear the expression "humbug" in relation to any proposition we made?

Mr. WILLIS: Tell us about the Hawley-Smoot tariff.

Mr. BROWN: I have not the slightest fear that any modifications we might suggest in regard to this treaty would have any prejudicial effect upon our exports to Great Britain.

Mr BELL (Hamilton): But do you speak for your leader?

Mr. BROWN: I think so. He is able to speak for himself, but I have confidence in the leader of my party to that extent, that he will neither make nor seek any modification that will have any prejudicial effect upon our exports. Well, Mr. Speaker, I think my time must be pretty nearly exhausted—

Some hon. MEMBERS: Go on.

Mr. BROWN: Again I wish to state that I will have no hesitation whatever in voting against this resolution.

Mr. SAMUEL GOBEIL (Compton): Mr. Speaker, the resolution now under consideration calls for an expression of opinion to the effect that the operation of the trade agreements concluded at the imperial conference held in Ottawa in 1932 merits the approval of this house. I think I can say that I have closely followed the speeches already delivered in this debate, and I think I can safely say also that with the exception of the last speaker, who has stated quite clearly that he welcomes this opportunity of voting against the resolution, all those who have spoken have left the impression, though not one has stated that these agreements do not merit the approval of the house, that they intend to vote against the resolution.

First I should like to refer to the speech of the right hon. leader of the opposition (Mr. Mackenzie King) who spent almost an hour and a half trying to convince the house—and I imagine this side of the house in particular—that while for several weeks he opposed this legislation and voted against it, together with his party, he really favours the agreement. Yet, while he now states more clearly than ever that he is in favour of these agreements, apparently he is going to vote against the resolution. I must say that the right hon. gentleman did not convince me that this was the right attitude to take, and even if he had done so it simply would have meant that he has not the full support of the hon. members who sit behind him.

In my opinion there is one hon. member who deserves congratulations; I refer to the hon. member for New Westminster (Mr. Reid). The hon. member certainly put a great many words in his speech, which indicates that he is a great worker, and I should like to congratulate him on the labour he devoted to his address. I am not going to traverse the ground the hon. gentleman covered, except to say that many of his comparisons were not fair. For example, many of his comparisons were made in dollars. The hon. gentleman knows very well, as every hon. member knows, that because of the general decrease in commodity prices throughout the world comparisons in dollars are not fair and do not give a true picture of the situation. Others of his comparisons were between different years, which always leads to wrong conclusions. In my opinion the only fair way to pass judgment on these agreements is to compare the trade of other countries with that of Canada from 1930 to 1932 and again from 1932 to 1934.

Before I state why I think this house should pass this resolution I should like to refer to the speech of the hon. member for Sherbrooke (Mr. Howard). I am sorry the hon. gentleman is not in his seat, but since I am not responsible for his absence I intend to proceed with my remarks. In his speech my hon. friend painted a very dark picture of the business situation in his city. I was very much surprised to hear that, because according to my memory, and also according to the document I have before me, not more than two months ago the same hon. gentleman made a very different speech in his own city in regard to business conditions there. What is the reason for this change? Is it that the hon. member, when he speaks in his own city, has a different point of view than when he is here? Is the truth not the truth everywhere? I have before me a copy of the Sherbrooke Tribune of November 27. Every hon. member who was present the other night heard

what the hon. member had to say about the business situation in Sherbrooke, but in great headlines running the full width of the newspaper I read:

Sherbrooke Knows Feverish Activity in Industry.

This is not an article written by the newspaper men; it is the report of a speech delivered by the hon. member for Sherbrooke. Here is what I find:

In a comforting report made to the chamber of commerce, Mr. C. B. Howard reveals that our silk industries are running at full time at one hundred per cent capacity, and are closely followed by the Paton manufacturing company and all the iron and steel manufacturers. Three thousand more men at work.

Remember, Mr. Speaker, that this is the report of the hon. member for Sherbrooke to the chamber of commerce. Further on I find this:

The situation is sensibly improving in our city. The business activity is increasing. The commerce is more stable, and unemployment diminished. This is the encouraging declaration that Charles B. Howard, member for Sherbrooke at Ottawa, contained in a message to the members of that chamber last night in submitting his report on the activities of the industrial committee, of which he is a member.

This may give the house an idea of the degree of sincerity we may attach to the speeches made here by the hon. member for Sherbrooke. Then the hon. member for Sherbrooke went on to talk about dairy products. I do not intend to follow him in everything he said, but he made two or three observations upon which I should like to comment. He referred first to butter and other dairy products and then to cattle.

First of all I should like to correct an observation I heard him make, and which appears in Hansard to the effect that under the King administration the duty on butter was four cents a pound. The remark may have been unintentional, and if he were present I should be quite willing to accept his denial. The hon. member knew very well however that under the King administration the duty on foreign butter was only one cent per pound, and if he was mistaken I think he should have made a correction in Hansard.

I protest further against the affirmation made not only by the hon. member for Sherbrooke but by many hon. members to your left, Mr. Speaker, that the Prime Minister and the Conservative party generally, during the campaign of 1930 promised the Canadian farmers that if that party were returned to power the farmers would receive from 50 to 60 cents per pound for their butter.

[Mr. Gobeil.]

I absolutely deny that statement, and I deny it every time I have a chance. I never made it, and throughout the whole election campaign I never heard the Prime Minister make it. I believe I may state safely that he never made it at any time. What I heard him say and what I said was that if the Conservative party were returned to office in 1930 the government would see to it that the Canadian farmer and the Canadian dairyman obtained the Canadian market for themselves.

Mr. CASGRAIN: You promised butter at 45 cents a pound.

Mr. GOBEIL: That market was obtained. The arguments advanced by hon. members opposite are not worth anything, The only just and fair comparison is to compare Canadian prices for any commodity with the prices obtaining in other countries. Then the hon. member for Sherbrooke went on to say that we promised we would stop importations of butter, and indicated that during 1934 we imported about 2,000,000 pounds. I have not his exact figures before me, but I believe I am about correct. But he did not say why we imported it. I wish hon. members would tell us why, because I am prepared to tell them. Why did we import any quantity—for the sake of argument we will say 2,000,000 pounds—in 1934, if in fact we did import it? Will any hon. member opposite deny that on every pound of butter imported during 1934 there was a duty of five cents per pound and a special tax of three cents, making a total of eight cents per pound? They will not deny it, because it is a fact which cannot be denied. How is it that New Zealand or any other country exported butter to Canada? We know that the people of New Zealand had a free market in England for their butter, and if so why did they export to this country? Why? There was only one reason, and that is that the Canadian market price for butter was so much higher than the price in Great Britain that New Zealand could export to this country, pay the duty and bring more money to their farmers than they could by shipping to England.

If instead of taxing eight cents per pound we had taxed only one cent would the Canadian farmer be in any better position to-day? Where would the Canadian farmer be to-day if there had not been a duty of eight cents a pound on butter? There would have been only one result: Our price would have been reduced by eight cents; the Canadian price of 23 cents per pound would have been only 15 cents, had there been no protection. Further, if in 1933 and 1934 the Canadian farmer had operated under the conditions which

existed in 1930 under the King administration he would not have received millions and millions of dollars which in fact he did receive.

Instead of hon. members opposite saying, "Butter was selling at from 30 cents to 35 cents per pound in 1930 and it sells for only 20 cents or 22 cents to-day" they should bear in mind what would have been the condition if we had not been protected by a tariff. Their argument means nothing.

Some hon. MEMBERS: Oh, oh.

Mr. GOBEIL: I repeat: Their argument does not mean anything except this, that if hon. members opposite had been in office from 1930 to 1933, instead of receiving 22 cents per pound our Canadian farmers would have received only 15 cents or 16 cents. Do hon. members imagine that the government or that I do not regret that butter is not selling for 30 cents or 35 cents? We certainly do regret the circumstances, but we say that due to governmental action our farmers are receiving anywhere from five cents to eight cents more per pound than they would have received had a Liberal government been in office.

The hon. member for Sherbrooke went farther. He had the audacity—is that term parliamentary?

Some hon. MEMBERS: Yes.

Mr. GOBEIL: He had the audacity to ask the government, "What did you do when you found that the American market was closed to us?" Why did he not finish his observation by saying that without a word of protest the Liberal government allowed the Canadian farmer to be excluded from the American market, because that government would not act for fear of provoking the Yankees. Does the hon. member for Sherbrooke realize what the Canadian farmer lost when the American market was closed to him? Does he really know what it meant? I do not think he does, because if he had such information he would not dare mention the subject. In the twelve months previous to June, 1930, the fresh milk and cream made into butter and exported amounted to 25,000,000 pounds. That is what we lost. That market was not lost through any fault of this government but through the fault of the previous administration. If someone is to be blamed it must be hon. members opposite. Owing to that market being closed, in the twelve following months the Canadian market had to absorb 25,000,000 pounds of butter which previously had been shipped to the United States. That is what we lost when we lost the American market.

The hon. member for Sherbrooke also mentioned cattle. Again I ask him, does he realize what it meant to the Canadian farmer to lose that market, and again I say, under the King administration. It meant that while in the twelve months previous to June, 1930, we exported to the United States almost 300,000 head of cattle, in the following year we exported less than 10,000 head. Was that the fault of this government? No, nobody will pretend that it was the fault of this government. Is it any wonder that the situation of the producers of beef and cattle in Canada was almost desperate when we lost such a valuable market without a protest—or at least without any protest that the citizens of this country know of? Those are only two items, Mr. Speaker. I could go on and mention almost every farm product against which we found the doors absolutely closed to us in June of 1930, and for that hon. members opposite are now trying to hold this government responsible, but they are mistaken. Is it possible that hon. members opposite so misjudge the good common sense of Canadians as to think that the people will believe them when they say that this government has closed the avenues of trade? Do they believe that the Canadian people will believe that without specific instances being given without mentioning at least some countries that have raised their tariffs against us since 1930? No, Mr. Speaker, hon. gentlemen opposite are greatly mistaken if they think they are going to be taken at their word.

What else did it mean when the American market was closed to us? What other signification did it have? What were the results in the following months? What was the balance of trade between Canada and the United States in the fiscal year 1930-31? We lost the American market only in June. The result was this, that in that fiscal year we had an adverse balance of trade with the United States of over $300,000,000. Do hon. members opposite believe that such a situation could go on indefinitely? When the hon. member for Sherbrooke asks this government "What did you do?" I reply that this Conservative government took means to correct that adverse balance of trade against Canada. It had to be corrected, and as a result of the efforts of this government instead of having an adverse of balance of trade of over $300,000,000, that had been reduced in 1932 to $87,836,456, and in 1934, last year, it had been reduced further to $49,127,522, and that was done because of the imperial agreements

which give us a sheltered market in the United Kingdom for the products of the farm that we could no longer ship to the United States.

My hon. friends opposite have another argument, and it is this. They say that these agreements prevent trade with other countries, and I have heard them say that they make impossible a trade treaty with the United States, for instance. I shall not have time to make any extended remarks upon that, but let me just quote from an American newspaper to show what the people over there think of the possibilities of trade with Canada, despite the Ottawa agreements. I quote from the Boston Sunday Advertiser:

> The Ottawa empire agreements, contrary to general belief, leave ample room for Canadian-American trade. There is nothing in them to prevent Canada selling the United States more of her cattle, more of her fish, more of her milk and of copper and lumber,

and so on and so forth. That is the opinion of the Americans, but that paper goes further and, referring to the Ottawa agreements, says that, not only have they been beneficial to Canada but that they have brought to Canada more industries and given Canadians more employment. In other words, if it had not been for those agreements unemployment would have been much more severe than it is. This newspaper goes on to say:

> In 1932 American branch factories established themselves in the dominion at the rate of two each week.

They crossed the border, Mr. Speaker, to escape the Canadian tariff or to secure the benefit of the empire preference, and the loss to the United States in work and wages must have been enormous. This paper goes further and says:

> To-day there are something like 1,500 of these United States branch plants in Canada, representing an investment of nearly two billion dollars and giving employment to scores of thousands of Canadians.

That is not my statement, Mr. Speaker, nor that of a member of this government, but the opinion of our neighbour to the south.

I can quite understand that the right hon. leader of the opposition (Mr. Mackenzie King) did not see with any very great pleasure this resolution on the order paper. We can all understand that. As I said at the beginning of my remarks, even if the right hon. gentleman had succeeded in convincing me, despite his opposition to the legislation and his vote against it two years ago, that he was in favour of these agreements to-day, that would only demonstrate one thing and that is the lack of unity among his followers. I shall try to give one or two illustrations. Every member of this house must have noticed the change of tone in the speeches of the right hon. leader of the opposition with respect to these agreements. It is quite clear to anyone that he is now more in favour of these agreements than he was in 1932. Is it a spontaneous conversion, or is there something behind it? I have it in my mind that it might be something else than spontaneous conversion because I remember that in June of 1933 a Liberal organization with a pompous name, I believe it is called the Twentieth Century Young Liberals Association of Canada, or something of the kind, met in Ottawa for two or three days and passed some resolutions among which was one which did not seem to be quite in accord with the opinion expressed by the leader of the Liberal party in 1932. I would refer hon. members to the Montreal Gazette of June 3, 1933. The convention turned down the resolution submitted to it, that the Liberal party should do its utmost to abrogate the treaties entered into at the Ottawa conference. That Liberal convention, in my view, passed a resolution disapproving of the opinion that was expressed in this house by their leader in 1932.

Now, speaking of unity of sentiment and of the endorsation or the disapproval of the Ottawa agreements by the Liberal party I am going to remind the house of some of the statements that were made by hon. gentlemen opposite. First, I will quote from page 355 of Hansard of 1932 to show what the hon. member for Melville (Mr. Motherwell) said in reference to hogs, when he was discussing these agreements:

> But they started out in the face of hogs selling at about 2¾ cents a pound—

What does he think of the price of hogs to-day?

> —trying to start a campaign to bring about greater production, based on something by way of restriction that may never materialize.

Apparently it has materialized.

> It is stated by the Prime Minister that in ten years we will have a potential market for 500,000 hogs, but those same potentialities extend to other countries. We would need to eat little but bacon and ham if we were to consume the products of a campaign such as this.

Then he went on to say this:

> It is the greatest piece of nonsense that was ever promulgated,—

What does he think of it now?

> —the greatest flimflam ever attempted to be put over on a suffering people. There is no

more comfort in it than there is in a block of ice in midwinter.

I am afraid the block of ice has melted. Further on, at page 356, he said:

I did not think there was an aggregation of men in the world, either inside or outside a mental hospital, who would promulgate such a nonsensical proposition as this hog proposal as set out in the agreement.

What does he think of it now that hogs are selling at 8½ or 9 cents a pound, representing an additional $7,000,000 going into the pockets of Canadian farmers, who are receiving altogether around $30,000,000 or $35,000,000 of added money since 1932? I will quote another hon. member opposite. At page 605 of Hansard of the same year the hon. member for South Perth (Mr. Sanderson) made this statement:

Is there a single commitment in that article, Mr. Speaker—

He was referring to hogs.

—which obliges his majesty's government in the United Kingdom to increase the purchase of Canadian bacon and ham? This provision is surrounded by ifs and whens and hows, and in any event nothing can be done until the report of this commission is brought in. I want to make this prediction,—

Let me remind him now of the prediction he made then, and ask him what he thinks of it.

—that if in course of time the export of Canadian bacon and ham should reach the figure mentioned in article 6, the farmers all over this dominion will go into hog raising on a large scale, and instead of increasing the price of hogs the price will decrease. The price is $3.75 now, and it may go even lower.

That was the price in 1932 when we were discussing the agreements. Apparently we have not yet reached the stage referred to by the hon. gentleman, when the raising of more hogs results in a decrease in price.

Now, so far as unity of thinking is concerned, I wish to quote some words uttered by the leader of the opposition—always with reference to the imperial agreements. The house will remember that the leader of the opposition spent at least an hour telling us how dreadful it was for the present Prime Minister to have terrorized Englishmen to the extent that he had done, until they had to yield to his whip. It seems to me that was rather a compliment, though the right hon. gentleman was far from thinking that way. Let me quote some of the phrases he used as reported at page 266 of Hansard of that year:

If we have reached the point in our history where the thought of public men not only in this country but in all parts of the empire is to be terrorized by the Prime Minister of Canada, it is time that some of us should speak out and let the people of Great Britain know that the people of Canada are just as proud of an independent expression of view as are the people of Great Britain.

And on page 267, referring to the Prime Minister, the right hon. gentleman said:

He said to Great Britain, "You must change your fiscal policy before I will negotiate with you." He now says to us, "You must change your principles or you cannot support this agreement,"

Apparently they have changed their principles, because they support the agreement now. He went on:

The fiscal policy of Great Britain has been changed. Whether the right hon. gentleman was responsible for changing it is a matter of indifference; the fact remains that it has been changed.

The leader of the opposition was very much exercised over the fact that, according to him, the Prime Minister had imposed his will on Englishmen and terrorized and coerced them. That may be all very well in this house, but not in the country. The board of strategy, or the leader of the Liberal members from Quebec—sometimes they refer to the hon. member for Quebec East as their leader—evidently decided that these phrases were not very popular in that province, that they would not get them anywhere, and apparently therefore they deputed someone to make a different declaration, with the result that we find the following statement coming from the hon. member for St. James (Mr. Rinfret), ex-Secretary of State, as reported at page 376 of Hansard:

In my opinion articles 12, 13, and 14 dealing with the tariff board are most extraordinary. I say this is the first time any other country, even if it be the United Kingdom, has been given the right by means of a commercial treaty to dictate to the government of this country concerning certain Canadian matters.

How do my hon. friends reconcile these different expressions of opinion? The hon. gentleman went further and made this statement:

Under the provisions of these articles we are being dictated to—

The leader of the opposition declared that the Prime Minister had terrorized the English at the imperial conference, but the hon. member for St. James says:

—we are being dictated to by an external government and it makes no difference whether this dictation comes from the government of the United Kingdom, of France or any other country. We are being dictated to ... I may be all wrong about this, Mr. Speaker, but I think it is abominable that the government

of Canada should be told in a trade agreement by another nation, that they shall do certain things of a local character.

What does my hon. friend think of these two statements?

The next move I suppose on the part of Great Britain will be to have what gentlemen they want on that board. That would not be any worse.

And further on:

Have I read that aright, Mr. Speaker? If so, not only are we being dictated to by another government to appoint a board entirely local in its character, but here are the instructions by which the board is to be bound.

And he goes on. I am stating this not particularly that the house may know because we have already heard it, but that the citizens of Canada may know the policy of the Liberal party, their disagreement among themselves on Canadian policies or the policies of their leader.

Mr. W. H. GOLDING (South Huron): Mr. Speaker, as a result of the resolution which stands on the order paper in the name of the hon. member for Toronto-Scarborough (Mr. Harris), we are having a further discussion on the empire treaties. It opens up another discussion on some of the principles for which members of the house stand and it is in regard to those principles that a difference of opinion exists in connection with these particular treaties. I think it is generally agreed that we are all in favour of empire trade, but it is on the basis upon which this trade is formed, the regulations surrounding it and its effect on world trade that there is a distinct difference of opinion. I do not think for a moment our hon. friends opposite will suggest that we on this side are not in favour of empire trade, nor do I believe they will suggest that had the Liberal party been returned to power in 1930, we would not have had empire trade agreements effected; I do not think that is the contention. I would like to point out that in 1930 the Prime Minister (Mr. Bennett) certainly did succeed in making the Canadian people believe he had definite plans and policies which, if put into effect in this country, would solve all our problems, that markets would be secured for our basic products and prices for those products would be increased. Notwithstanding what the hon. member for Compton (Mr. Gobeil) has said, the fact of the matter is that the Prime Minister went up and down this country telling the people that prices of all farm commodities and other products would be increased. I would like my hon. friend to visit the village of Exeter in my constituency and ask the people there what the Prime Minister had to say about increased prices. Other promises of the right hon. gentleman may be cited. For instance unemployment was going to be ended, and as a matter of fact all our problems were going to vanish like the melting snows on a sunny morn. I think it was generally believed he based his hopes on changing the tariff structure of this country in order to bring about these improvements. It is a fact that the present treaties are founded on the principles upon which the Conservative party hoped to fulfil the many promises given to the electors at that time.

The extent to which the increased barriers to trade were brought into effect as a result of these treaties, restricting our opportunities of promoting trade with other countries, I think is a fair question for debate. We on this side of the house believe mutual trade, and also our prospects of promoting trade elsewhere, were thereby affected. That too is a fair subject for debate. Holding that view, we opposed the treaties in 1932 and we are still of the same opinion. We feel that these treaties under their present set-up with the existing regulations will affect trade and therefore we believe they are not operating in the best interests of Canada. The hon. member for Compton suggested that we should name some countries that have raised their tariffs since these treaties have come into effect. The hon. member for Yorkton (Mr. McPhee) in one of his speeches put on the records of the house the fact that thirty-seven countries had raised their duties against Canada.

We recall the promises that were made in 1930 and now we are told that conditions are improving. We were told the same thing in 1931, 1932, 1933 and 1934. I am willing to admit there is some improvement in trade, but a similar condition exists in every other country and we are glad it does. Notwithstanding that all these promises were made in regard in promoting trade and solving our problems, what is the situation confronting us to-day? I suppose if there is any improvement, it will be credited to the empire trade agreements. It is rather amusing to listen to some of the statements, some of the addresses that have been made in connection with these treaties and some of the propaganda that has been circulated. One would think this government two years ago discovered a brand new market, one that did not exist before.

As a matter of fact that market was free to Canada long before many of us saw the light of day and in all probability it will continue to be, I will not say a free market, but a market, whether these treaties are modified or amended or in the years to come discarded altogether. But what is our situation at the present time? It is simply this, that there is not one problem that was facing this country in 1930 that is not still our problem. One can go right down the list and I think my hon. friends will agree with me when I say that all the problems that were facing us at that time are still confronting us. Take the problem of our trade. Does anyone in the house suggest that the problem of finding markets for our exports has been solved? Take the problem of our taxation and debt. Does anyone suggest that it is solved? We all know it is more serious now than when this government came into power. Take our unemployment problem, that is one that was going to be definitely ended; but a few days ago the Prime Minister admitted that there are now 400,000 unemployed, while the hon. member for North Winnipeg (Mr. Heaps) says there are at least 600,000, and the Prime Minister admits that when they came into office the number was 117,000.

Then we have the railway problem. Is that solved? What about the problems with which our farmers and wage earners are faced? It seems to me that the difficulties of our farmers during the lifetime of this government have been more serious than at any other time in our history The very fact that for a whole day here recently member after member arose to ask help for the farmers in their distress is surely evidence enough that that problem has not been solved. The fact that the government find it necessary to bring down a bill to provide $90,000,000 to assist the farmers shows how far this problem is from solution by the government and the Prime Minister who definitely promised to end unemployment and cure all the ills of the farmers. That is the situation, I venture to say no one will dispute it. I fully appreciate the fact that all of us have hopes and ambitions to accomplish certain things, and may have definite plans and ideas for doing it, but difficulties may arise which shatter those hopes and plans. That is the position in which the present government find themselves. Probably they did have some plan or idea by which they hoped to solve our problems. But after four and a half years of fair trial, facts and figures showing that they have absolutely failed, I cannot for the life of me understand how they expect hon. members of this house or the people of the country to believe that further experimentation with or application of those plans is going to do what they have failed to accomplish during the last four and a half years, or in fact at any time they have been tried since confederation. It seems to me the government would strengthen their position if they frankly admitted that the plans with which they hoped to cure the ills of this country have failed, and would now adopt some other method.

In regard to this present resolution, and the address given by the Prime Minister in Brockville early in December—I link the two together because I think that address was just a forerunner of this resolution—I have something to say. I read the report of the Prime Minister's speech with considerable interest. He intimated that one of the major issues in the coming campaign would be the empire trade agreements. Perhaps I should not put it just that way, but should say that the attitude of the opposition towards those treaties was going to be a major issue. Well, I am like the hon. member for Lisgar (Mr. Brown) I welcome any discussion of these treaties in my constituency.

Mr. CASGRAIN: You were elected in opposition to them.

Mr. GOLDING: I think it is well known that the by-election held in South Huron at which I was elected was the first by-election held in Canada after these treaties had been negotiated by the government; it was even before they had been ratified by parliament. An effort was made by members of the government and by private members who sit opposite who spoke in my constituency to make these treaties the major issue in that campaign, notwithstanding that they were not yet in effect. Promises were made to my constituents as to how their position would be improved as a result of these treaties, efforts were made to make them believe they were already feeling the beneficial effects, when as I say the treaties were not in effect at all. That was just their way of trying to fool the people. The hon. member for Compton was one of the speakers sent up to try to defeat me in that contest. In the polling division at Drysdale where my hon. friend spoke the Conservative candidate got seven votes. If my hon. friend will come up when the next contest takes place—

Mr. CASGRAIN: They will get no vote at all.

Mr. GOLDING: My hon. friend the Minister of Railways and Canals (Mr. Manion), who was the first minister of the crown to come into the constituency, made a very

dramatic appeal. I rather enjoy hearing him. He told the people that the eyes of the whole empire were on South Huron, and appealed to them to vote their approval of these treaties. One would have thought that the existence of the whole country hung upon them. He asked them to forget politics for the time being and vote approval. That is the sort of appeal which was made to the electors in my constituency at that time. The result of that contest did not indicate that they were very enthusiastic about these treaties.

Mr. CASGRAIN: They were wise people.

Mr. GOLDING: Since that time there have been a number of by-elections held in different sections of the country, and in each and every one the ablest speakers on the government side have tried to present the case for the government,—and I admit that they have very able and excellent speakers; indeed I wish I could express myself as forcibly and clearly as some of my hon. friends.

Mr ELLIOTT: You have a better case.

Mr. GOLDING: At any rate they tried to present the case for the government in the best possible way. But notwithstanding their best efforts they met with reverses in every constituency but one, that is in the city of Toronto where there were three candidates in the field. One must be an optimist indeed who thinks the electors can be whipped into line in regard to these treaties by any amount of oratory.

I think it ought to be clearly understood that as far as we on this side are concerned we oppose these treaties, on various grounds. But one of the grounds was that the duties against British goods were far too high, and those against foreign goods were absolutely ridiculous.

There is another thing I should like to mention. I think it would be quite impossible for anyone to read the Prime Minister's introduction of these treaties in this house without noticing the provocative and boastful language he used on that occasion. After that language his invitation to the opposition to unite with the government in passing these treaties struck me, as a new member, as rubbing it in a bit, especially in view of the fact that every hon. member on this side of the house was elected on a policy of lowering duties and extending the preference to Great Britain. When we compare that with the policy adopted by the government of raising duties on British goods to unprecedented heights, of raising them still higher on foreign goods and then, under these treaties, slightly reducing the duties on British goods and raising them still higher on foreign goods—well, I only wonder at anyone asking members on this side to support a policy of that kind. One cannot help but question the sincerity of anyone making such a request.

I think at that time every member of the official opposition had in mind the action of the government in raising duties to such heights in 1930 and 1931, and again under these treaties, as well as pegging the duties on a great many articles for a period of five years, together with all the other frills such as specific duties, excise duties, dumping duties, arbitrary valuation for duty purposes and all the other things that have helped create the difficulties and restrictions in connection with trade. I think there is another thing we should remember, and it is that the Liberal party introduced this preferential policy in the first place while the Conservatives at that time opposed it. We ought to remember also that the Dunning budget, which was so favourably received by the British press, was introduced by the Liberal party. I am not going to discuss the contents of that budget except to say that the gist of it knocks galley west, if I may use that term, the argument that we on this side of the house are not in favour of empire trade, and by the way that argument is being used on our back concessions. I think every Canadian citizen hoped that as a result of the 1932 imperial economic conference trade barriers would be lowered. It was not only Canadians who expressed that hope; I should like to quote the words of Right Hon. Stanley Baldwin, who said:

> There are two ways in which increased preference can be given—either by lowering barriers among themselves or by raising them against others. The choice between these two must be governed largely by local considerations, but subject to that, it seems to us that we should endeavour to follow the first rather than the second course. For however great our resources, we cannot isolate ourselves from the world. No nation or group of nations, however wealthy and populous, can maintain prosperity in a world where depression and impoverishment reign. Let us therefore aim at the lowering rather than the raising of barriers, even if we cannot fully achieve our purpose now, and let us remember that any action we take here is bound to have its reactions elsewhere.

That was the position taken by Right Hon. Stanley Baldwin, but it was not the position taken by our representatives, and as a result of their action and of these treaties there is no question that trade has been restricted and

our opportunities for promoting trade lessened. I think we should ask ourselves this question, which I think is fair and reasonable: Supposing our delegation had accepted the suggestion of Mr. Baldwin and the conference had agreed to lower trade barriers. Would it not have had the effect of stimulating trade not only within the empire but with the whole world? Further than that, when the whole world was trying to raise tariffs, if the empire had set the example and lowered tariffs would it not have had the effect of opening up channels of trade in many other countries? Let us look at the other picture. The very fact that the British empire agreed to raise trade barriers had its effect on trade both inside and outside the empire; it had the effect of making every country cover up, and the vicious circle continued. It seems to me that we could have done a great deal more effective blasting, if that is the term you want to use, by lowering trade barriers at that time than we have been able to do by raising them. Further than that I cannot see how we can expect to gain access to markets by shutting out goods from those same markets, by publicly admitting that certain actions were taken to shut out the foreigner, and by openly stating that every nation wanting to do business with the British empire must pay tribute for that privilege. It does seem to me that these are damaging statements, and that it will take a good deal of scientific blasting to overcome their effects.

Now I should like to refer to some statements made by the Prime Minister when he introduced these treaties. He said:

> I have not yet touched on that farm commodity which is at the moment of most immediate importance to this country. Finding wheat and flour markets is the great problem facing our wheat growers to-day.

Then he went on to tell us that we had secured free entry for wheat as against a duty of six cents a bushel against foreign countries, and that on flour we had secured free entry as against a ten per cent duty against foreigners. Then he added:

> Our secured place in the British flour market means that British domestic millers can only compete with the Canadian flour if they use Canadian wheat standards.

If anyone will take time to look up our exports of wheat and flour for the past few years he will find exactly what has happened in this regard. In 1934, 178,175 barrels of flour were shipped to Canada, of which 105,431 barrels came from the United Kingdom. That is the situation we have to-day. I have before me the figures showing the value of exports in certain commodities. The following table will serve to indicate the value of the total exports of fruits, vegetables, grains, milled products, seeds, tobacco, animals (living); meats, milk and its products, and wool; and the value of that portion which went to the United Kingdom in the years mentioned:

Fiscal year—	Total exports to all countries	Exports to the United Kingdom
1929-30	$368,000,000	$199,000,000
1933-34	207,000,000	133,000,000

In 1930 our total exports of all commodities were valued at $1,145,000,000, while in 1933-34 they were valued at only $585,000,000. While in the year 1928-29 the exports of all commodities to the United Kingdom were valued at $431,000,000 we are told that that is the market which was discovered only two years ago. Between the fiscal years 1920-21 and 1929-30 the average value of our total exports to the United Kingdom was $368,000,000 per year, while in the year ending December 31, 1934, our total exports to the United Kingdom were valued at $270,000,000. I know I shall be met with the arguments used by the hon. member for Compton (Mr. Gobeil), namely that it is not fair to compare values of 1930 with those of 1934. I frankly admit that under ordinary circumstances that would be quite true. The difference however is that our farmers were promised that the prices they were getting in 1930 would be increased, and this government secured thousands of votes because of that promise. In view of that circumstance I believe I am quite within my rights when I make the comparisons I have made.

I should like to refer to another statement made by the Prime Minister. A few days ago he suggested that if there was any dissatisfaction in the old land in connection with these agreements the Liberal party was responsible for it. Let me state right here and now that I think that was a mighty small thing for a big man to say.

Mr. CASGRAIN: He is small, sometimes.

Mr. GOLDING: Speaking about the trade agreements on October 12, 1932, the Prime Minister said:

> On wheat we have secured a preference of two shillings per quarter. Article 4 of the agreement makes the continuance of this preference, as well as the preferences granted in respect to copper, zinc and lead conditional

upon empire producers of these commodities being able and willing to offer them a first sale in the United Kingdom at prices not exceeding the world prices and in quantities sufficient to supply the requirements of the United Kingdom consumers.

I am not going to labour this point, but I wish to ask hon. members opposite if they think Canada is keeping that agreement with the United Kingdom in either the letter or the spirit.

A Canadian press dispatch from Victoria, B.C., dated October 5, states:

"New Zealand is getting tired of the way in which Canada is carrying on" according to David Jones, chairman of the Meat Producers' Board of Wellington, New Zealand, who passed through here on the R.M.S. Niagara early to-day. "Unless the spirit of the Ottawa agreements is more liberally interpreted in this country, it will not be long before we will be compelled to adopt measures which will be more to our advantage," Mr. Jones told newspapermen.

I submit in all fairness that if there is any dissatisfaction with the agreements it has been caused by the government themselves.

Mr. CASGRAIN: They are no good.

Mr. GOLDING: It seems to me that on everything we sell to the United Kingdom we manipulate and manœuvre in order to keep the prices above ordinary prices, and against everything they have to sell to us we have tariffs, dumping duties and many other obstacles placed in the way. The result is that appeals have to be made to the tariff board; we have complaints of all kinds, and a growing sense of dissatisfaction which certainly cannot do any good to a treaty.

Hon. members opposite talk about our entry into the British market. I am satisfied our market there to-day is more restricted than it has been at any other time, and I am further satisfied that as time goes on it will become more restricted. Hon. members opposite have persuaded the United Kingdom to adopt the policy of protection, a policy which in the very nature of things promotes restriction. I submit the agricultural self-containment policy being pushed by the Minister of Agriculture in the United Kingdom is a more serious threat to our markets over there than anything which has happened heretofore, and something which every hon. member must consider.

At page 135 of Hansard for October 12, 1932, the Prime Minister is reported as follows:

Furthermore, it should be borne in mind that a preferential position in this market will be of immense advantage to Canada in maintaining our great wheat growing areas—

[Mr. Golding.]

And he added:

—while world sources of supply are being compelled to adjust their acreage to market requirements.

That was a beautiful picture to hold before the western wheat grower. After reading that observation any person exporting wheat would naturally come to the conclusion that his position was secure. Certainly he would not assume that within a year and a half the same Prime Minister would be back asking him to sign an agreement to curtail his acreage and production. That is exactly what happened, and the disappointment the wheat farmers have experienced is in keeping with the disappointments so many people have experienced in connection with the trade treaties.

So far as I am concerned, and I believe I am voicing the views of hon. members on this side of the house, I welcome trade within the empire and trade with any other country. The most important objective any Canadian government could have at the present time would be to try to promote trade through lower rather than higher trade barriers. I wish to state as emphatically as I can that I object to high tariffs because they take from the farmer or the producer a large portion of the product he produces and give him nothing in return. I was more than pleased to hear the Prime Minister a few days ago tell this house, as appears in Hansard:

I have never believed in high tariffs.

That came as rather a shock to me, I must confess, although I have listened to so many statements from the Prime Minister that I really should not have been shocked at that. I think the only difference between the Prime Minister and myself so far as tariffs are concerned is that he has in season and out of season advocated and voted for high tariffs.

An hon. MEMBER: And still higher.

Mr. GOLDING: Yes, and higher tariffs; whereas since I have been privileged to be a member of this house I have spoken and voted against high tariffs, and I intend to continue to vote against high tariffs.

My right hon. leader a few nights ago outlined the situation in connection with certain tariffs to which we strongly object. Here are nine items that are used in every Canadian home: Dyed or printed cotton fabric, white cotton flannelette; wool piece fabric, wool overcoating, wool high grade suiting, wool suiting of a cheaper grade, wool hosiery,

wool blankets for the household, and Axminster carpets. I shall not quote the rates of duty on each, but assuming that we buy one thousand dollars' worth of each of these articles—

The ACTING SPEAKER (Mr. Stanley): The hon. member has spoken forty minutes.

Mr. GOLDING: I shall be through in a minute, Mr. Speaker. I am sorry I have not another half hour. I was about to say that on these nine articles, if we imported one thousand dollars' worth of each, we would pay about $2,100 more in duty at the present time than we would have had to pay in duty under the Liberal government in 1930. That I submit is a serious situation. I want to tell my hon. friend from Compton and the members on the other side of the house that I shall have no hesitation at all in voting against this motion, and I shall not be the slightest bit afraid to go back to my constituency and meet every one of my electors.

Hon. ROBERT WEIR (Minister of Agriculture): Mr. Speaker, in rising to make a very few observations I take this opportunity to congratulate the hon. member for Toronto-Scarborough (Mr. Harris) for having moved this resolution. I really believe that in so doing he was prompted by the thought that is in the minds of the majority of the people of the Dominion of Canada, and that is a desire to know definitely where the right hon. leader of the opposition (Mr. Mackenzie King) and his party in this house stand with reference to the Ottawa agreements.

I listened to the speech of the right hon. leader of the opposition the other night. I thought it was an able speech, considering the subject, and I have read it and reread it since; but I cannot for the life of me tell definitely what his attitude is towards these agreements or what he would do in regard to them if he were prime minister of this country.

I should also like to compliment the hon. member for New Westminster (Mr. Reid) for his industry in going through a long list of exports and imports to select a few specified ones such as rice and the odd carload of barley to show that there was not an increase in our export trade in all commodities. It is not necessary for me to deal with what the hon. member for New Westminster said, because his argument could not have been more completely annihilated than it was by his right hon. leader in the first few minutes of his speech, in which he said, not simply that trade had increased since the Ottawa agreements, but that in the last year alone, from October 31, 1933, to October 31, 1934, our trade with the United Kingdom had increased in the neighbourhood of $90,000,000.

I should also like to congratulate the hon. member for Sherbrooke (Mr. Howard)—and I am sorry he is not in his seat to-day, not because I wish him particularly to be present for my congratulations but rather that in his absence I do not feel like making some remarks I would otherwise have made—I should like to congratulate him on making one of the best efforts that could be made in denunciation of the policy of his right hon. leader during the period of nine years when he was Prime Minister of this country, particularly as regards a market for our live stock and dairy products.

The right hon. leader of the opposition stated at the commencement of his address that he felt it would be fairer for purposes of comparison, rather than to take the low point of the depression, 1932, and compare it with the present, to make the comparison between the time he and his government went out of power and the present time. To show you how fair the right hon. gentleman was in those remarks, and also that we may have a clear picture of the situation that confronted this government with reference to markets for our agricultural products, I should like to put on record as shortly as possible what did happen as far as the restrictions of our trade is concerned during the period of nine years when the present leader of the opposition was head of the government in this country; and I shall deal in this connection only with agricultural products. I want to show the restrictions and barriers that had been set up against our trade in agricultural products during the nine years, from 1921 to 1930, that the Liberals were in office—and they were barriers just as insuperable as though stone walls had been built without gates in them between the United States and this country. May I add that I fail to find record of any protest, however slight, on the part of hon. gentlemen opposite against the action of our neighbour to the south in thus shutting their markets to us, or any effort on the part of the Liberal government to have those barriers removed. Here are the figures:

	U.S. tariff in force to May, 1921	U.S. tariff June 18, 1930
Wheat	free	42 cents bushel
Cattle—		
Under 700 pounds	free	2½ cents pound
Over 700 pounds	free	3 cents pound
Sheep	free	$3 each
Beef	free	6 cents pound
Bacons and hams	free	3¼ cents pound
Pork (fresh, chilled or frozen)	free	2½ cents pound
Other pork (prepared or preserved)	free	3¼ cents pound
Lard	free	3 cents pound
Butter	2½ cents pound	14 cents pound
Cheese	20 per cent	7 cents pound
Eggs	free	10 cents dozen

That duty on cattle in force on June 18, 1930, means a duty of $30—on a 1,000-pound steer—a prohibitive duty.

No record even nearly equalling that can be written against any other government that ever was in power in this country. While the Liberal party was in power insurmountable barriers were imposed against the export of our agricultural products to the United States which furnishes our natural market for those products; and because that market was closed entirely to our agricultural products we found ourselves in this position. In 1927, 283,000 head of cattle were marketed from this country in the United States; in 1928, 242,354 head, and in 1929 there was marketed a little over a quarter of a million head. We find ourselves confronted, then, with this problem—not only to market what had hitherto been the normal quantity of live stock but, on top of this, this great weight of a quarter of a million head, that we had been able to lift off, year after year, turned back and weighting down our live stock market. That was our first problem and one of the greatest, but it was only typical, so far as markets are concerned, in connection with our agricultural products. It was typical of the whole heritage which we received when we took power in 1930.

In the face of this one cannot conceive how it is possible for hon. members opposite to go up and down the country singing their favourite song, "We want wider markets; we will give you wider markets, lower tariffs, freer trade." Yet that is the record of hon. gentlemen opposite. As regards finding further markets for our live stock, we explored and investigated every possibility. In the first place, we took steps to give the Canadian market to the Canadian farmer. Immediately afterwards negotiations were entered into with the United Kingdom and with the other dominions in an endeavour to get a preference in those markets for our live stock, and we were successful in getting an entry for our cattle under the Ottawa agreements, without the restrictions that had been against them for years and which successive governments had tried unsuccessfully to have removed. In addition to that, we were most anxious, during the process of the negotiations in connection with the Ottawa agreements, to get every advantage we could in the way of a further market for our live stock. That was why we were exceedingly anxious, so far as our bacon and hogs were concerned, to obtain every possible advantage which we felt would raise the prices of these commodities. And we were successful to this extent, that there is less bacon eaten in this country now, with the result of a greater consumption of beef. In that way we have secured a double advantage in raising not only the price of bacon but, as well, the price of our cattle.

Under the Ottawa agreements we obtained the advantage of shipping into the United Kingdom, free of any tariff, a quota of bacon each year for five years of 280,000,000 pounds. Hon. members opposite have said that this market was always free for our bacon and hogs. The fact is however that it was no longer to be free after the report of the pig commission in the United Kingdom. Much has been said in this house with respect to the statement of Mr. Baldwin at the opening of the conference; that it was not the policy of this government but the policy of the British government, acting on the report of this pig commission, that they would not keep out these products by tariffs—because it was felt that the tariff could not be raised high enough, when you compare living conditions in the old country with conditions that prevail in competing countries. If anyone has any doubt with regard to the effect of the British government's policy, in restricting imports of bacon to the United Kingdom, on

the increase of prices of bacon in this country, I do not think that any fair-minded person will dispute the evidence that can be submitted to show that there is a direct connection. And I propose to submit that evidence.

The evidence that I will give the house will show that, as the United Kingdom increased restrictions against bacon entering that country, their price went up, and our price month by month, with scarcely an exception, went up step by step with it.

Mr. YOUNG: What raised the price in Denmark?

Mr. WEIR (Melfort): The same thing. In November, after the agreements were ratified and this policy put into effect, the price of select bacon at Toronto was $1.42 per hundredweight. The rate of restriction which the United Kingdom placed against foreign countries increased from fifteen per cent gradually to fifty-six per cent; and when fifty-six out of every hundred pounds had been shut out, the price of select bacon in Toronto increased from $5 to $10.17, which is in line with the increase in price of bacon in the old country.

I will ask hon. members this. If we had not obtained that advantageous market for our products, what other force existed to raise the price of bacon, when we consider the great additional quantity of cattle for which we had to find a market. Take the number of inspected slaughterings of live stock from 1931 to 1934—not estimates, but actual slaughterings in the inspected packing plants. There was an increase in 1934 of over 1,000,000 head of live stock—cattle, calves, hogs, sheep and lambs. Had it not been for this outlet to the United Kingdom, surely no fairminded person could defend any argument to the effect that there would have been an increase in price in any event. Could there have been such an increase had it not been for this advantage which we received? And it was because of the increase in the price of hogs and the decrease in the price of beef, in comparison, which had caused less bacon and more beef to be consumed, that there has resulted in the past three years an increase in the price, at the end of each year, not only of bacon but also of cattle. For the week ended December 22, 1932, the price of choice steers in Toronto was from $3.90 to $4.50 per hundred; for the week ended December 22, 1933, it was $4.50 to $5.50; and for the week ended December 22, 1934, it was $5 to $5.65, the reason for the increase being as I have stated.

What has been the effect in dollars and cents of this increase in our hog prices in the dominion, admitting that the only factor that has increased the price of hogs has been that preferential market which we have received? Here are the figures. In 1933 the public hog marketings amounted to 3,205,418 head and the average dominion price was $5 per hundredweight. In consequence of the Ottawa agreements there was an increase of $1.05 per hundredweight or $2.10 per head over 1932, or a net increase in total value of $6,731,378. In 1934 the public hog marketings amounted to 3,006,111, the dominion average price being $8 per hundredweight, showing an increase over 1932 of $4.05 per hundredweight or $8.10 per head, or a total net increase in value of $24,349,499. And taking the two years, 1933 and 1934, we have a total value of price improvement amounting to $31,080,877. But the public marketings, that is marketings through inspected abattoirs, are estimated to be approximately one-half of the total amount, and there is an increase in the price of the hogs that are marketed, outside the packing plants by the local butchers, because this price is set by the world price, so that double the amount of holdings means double $31,000,000, or approximately $60,000,000. I should be glad if hon. gentlemen could give any other reason why hog prices and cattle prices in this country have increased in view of the fact that we had to find a market for so many more live stock because of the lack of any effort on the part of hon. gentlemen opposite to prevent our products from being shut out entirely from the markets of the United States.

With reference to dairy products, if the duty against butter coming into this country from Australia and New Zealand was reduced to what it was when this government came into power, what would happen? The leader of the opposition stated in the house that one of his first objectives, if returned to power, would be to put the tariffs back to where they were when his party went out of office. He does not say that they will do this; it is an objective and that objective may be so far in the distant future that they may not be called upon to do it at all. The fact is that the price of Canadian butter on the Montreal market of a quality equivalent to Australian butter was the same as on the London market. That is, if we did not have the tariff of five cents under the treaty, or eight cents under the British preference, New Zealand and Australia could ship butter to Montreal and Vancouver for the same price

as that at which it could be delivered in London, and with their difficulty in finding an outlet for their butter, there is no doubt it would have been delivered in Montreal and Vancouver at this price so that the result would have been disastrous to our dairy farmers. In 1933, if this duty had not been against butter, it would have enabled New Zealand and Australia to dispose of their butter in our country at a duty of only one cent a pound, and the following would have been the result. I am taking butter in the months when production is at its highest. In 1933, therefore the net increase due to our tariffs has been:

May to December inclusive:	Net increase
Creamery butter	$5,254,067 88
Dairy butter	2,335,141 28
Total	$7,589,209 16

The figures for 1934 are as follows:

May to October inclusive:	Net increase
Creamery butter	$ 9,058,081 71
Dairy butter	4,025,814 09
Total	$13,083,895 80

That is, through our policies that much more money was turned back to the farmers engaged in the dairy industry. The reason why I have dealt with these two items is that they were mentioned especially by the hon. member for Sherbrooke, and in both cases, if any government was responsible for the loss of markets it was that which sat for nine years under the present right hon. leader of the opposition. The effect of the tariff raised by the United States against the dairy and creamery products of this country was such as to prevent the shipment of them into the United States and to deprive us of a market that formerly absorbed as high as 52,000,000 pounds of cheese in one year, or the equivalent which is, 26,000,000 pounds of butter; or the equivalent quantity of fluid milk was thrown back to be absorbed on the markets of this country or otherwise disposed of. At the same time during the regime of the hon. gentleman opposite there had been allowed into Canada from other dominions, New Zealand and Australia, a quantity of butter in the neighbourhood of 30,000,000 pounds.

In connection with fruit I had hoped to be able to give more detailed information but this has been made unnecessary to a great extent by the excellent presentation that was made this afternoon by the hon. member for Compton. He covered the field so thoroughly that there is really little left except to fill in a little more of this information. I quote the effect of the Imperial conference agreements. As a result of the conference agreements, Canada's exports to January 2, 1933, to the United Kingdom, showed increases of 133 per cent on barrels and 11 per cent on boxes, while United States exports to that market declined 64 per cent on barrels and 32 per cent on boxes. This is from our own statistics. I would like to quote what R. G. Phillips, Secretary of the International Apple Shippers' Association, Rochester, New York, has to say in a brief on the export apple situation. He makes the following comments:

(a) Re export developments in Canada and the United States.

From the 1928-29 season to April 1, to the 1932-33 season to April 1, the records show as follows:

Canada gained 38 points: The United States lost 38·6 points. Canada has been broadening her field by reciprocal trade treaties and free entry into Great Britain, while United States outlets are being rapidly curtailed.

Canada is broadening her export markets by commercial treaties including Germany, France, et al, and under the Ottawa accord, while the United States sits by and sees its markets curtailed. That curtailment will be more pronounced from now on, unless something is done.

(b) Re economic conference agreement and exchange situation.

The net result of these trade barriers and disruptions was that United States' exports of apples to Great Britain (our best customer) declined 38 per cent this present season to April 1, 1933.

That is the report of an outside, impartial authority on the effect of the Ottawa agreements on apples so far as Canada and the United States are concerned.

The tariff agreement with Germany providing a reduction in duty on Canadian apples effective January 1, 1933, has had a wonderful effect on Canadian shipments to that country, yet hon. gentlemen opposite state that as a result of the Ottawa agreements it has been impossible for Canada to make a trade agreement with any other country. The total shipments from April 1, 1933, to January 3, 1934, to Germany amounted to 47,350 barrels as compared with 843 during the preceding fiscal year.

Protective measures of the Canadian tariff have resulted in a marked reduction in imports from the United States. A marked reduction in exports to the United States cannot be attributed to higher tariffs. Imports of apples from the United States are as follows:

Year	Barrels
1929-30	150,549
1932-33	64,742

Thus a much greater market in apples was given to those grown by Canadian apple growers.

During the fiscal year to January 4, 1934, 1,629,639 barrels of Canadian apples were sold in the United Kingdom as compared with 700,512 barrels for the corresponding period of the year before, and 1,600,003 boxes as compared with 1,442,361 boxes the year before, or increases of 133 per cent and 11 per cent respectively.

Those are three of our major commodities. Time will not permit me to go into detail in connection with others, but I would like to place on record the following summary of Canada's exports to the United Kingdom for the twelve months ended December 31, 1932, 1933 and 1934:

CANADA'S EXPORTS TO UNITED KINGDOM

	12 Months ended December 31st		
	1932	1933	1934
Agricultural and Vegetable Products	108,753,660	112,703,780	125,344,531
Animals and Animal Products	28,839,863	38,481,676	52,869,822
Fibres, Textiles and Textile Products	1,238,597	1,799,169	2,135,182
Wood, Wood Products and Paper	12,046,263	16,274,074	26,526,968
Iron and its Products	5,192,957	4,324,070	8,987,922
Non-Ferrous Metals and Products	15,071,899	30,183,128	46,459,152
Non-Metallic Minerals and Products	1,287,089	1,662,617	2,182,751

CANADA'S EXPORTS TO BRITISH SOUTH AFRICA

Rubber and Products (total)	399,770	568,096	1,433,735
Pneumatic tire casings	308,836	403,935	1,134,162
Socks and stockings	394,844	637,785	976,223
Automobiles (passengers)	588,046	926,882	1,939,906
Farms Implements	434,537	358,163	1,001,921
Grains and Products (total)	505,755	93,437	1,596,290
Wheat	444,658	18,436	1,518,246

CANADA'S EXPORTS TO AUSTRALIA

Automobiles (passenger)	466,793	1,613,167	2,559,521
Automobiles (freight)	57,673	344,073	1,614,414
Salmon (canned)	957,649	1,128,973	1,276,875
Paper (total)	2,113,813	2,463,194	3,955,842
Wood (unmanufactured, total)	1,491,299	1,878,003	2,572,717

CANADA'S EXPORTS TO NEW ZEALAND

Paper (total	860,045	956,838	1,300,492
Rubber Products (total)	574,312	657,912	1,169,879
Automobiles (passenger)	166,513	235,435	1,182,486

Mr. POULIOT: All farm products!

Mr. VALLANCE: Is the minister trying to get through before six o'clock?—because I should like to ask him a question.

Mr. WEIR (Melfort): No, I shall not finish until after recess.

The right hon. leader of the opposition the other night selected two articles to demonstrate the effect of tariff increases by the present government under the Ottawa agreements. No doubt he had surveyed the field very carefully before he picked out these two. One can almost see in it the handwriting of a gentleman who has devoted years to this special work of just picking out enough to give the picture he desires. He set out clearly the effect of the increased duty and left the inference that the result was a decrease in trade. But here are the actual results: under Liberal tariff in the calendar year 1930 Canada purchased 32·4 million square yards of cotton cloth, while under the Conservative tariff, in 1934, Canada purchased 63·8 million square yards, or twice as much. Not only is that true, but while the price of woollen tops from which blankets were made had gone up, yet the price of the finished article had gone down. Another point is that in 1930 Canadian workers in the woollen industry had only 22·8 per cent of their home market, foreign mills having 20·4 per cent and British mills 57·8 per cent; while in 1934 British mills had 41 per cent of the Canadian market, foreign mills 1·3 per cent and Canadian mills 57·7 per cent, with a decrease in the price of the article.

I intended to put on record the decrease in the price, but I shall not take time to do

so; if anyone wishes to look it up the figures are available. Or with the permission of the house I can put it on Hansard.

Mr. POULIOT: On a point of order, Mr. Speaker, the minister is asking to put some of this on record without reading it; I strongly object.

Mr. SPEAKER: The hon. member is quite correct, they can go on Hansard without being read only by permission of the house.

Mr. POULIOT: I object; read the figures.

Mr WEIR (Melfort): These figures are taken from the Price and Price Indexes of the Dominion Bureau of Statistics:

	In 1932 drop from 1930	In Dec. 1934 drop from 1930
Blue denim	9.6c. per lb.	7.7c. per lb.
Cotton sheeting	3.6c. per lb.	1.0c. per lb.
Balbriggan underwear	53.0c. per doz.	43.0c. per doz.
Woollen cloth	20.0c. per yd.	10.0c. per yd.
Botany cloth	25.0c. per yd.	24.0c. per yd.
Middling cotton	6.3c. per lb.	0.5c. per lb.
3-4 blood wool	7.3c. per lb.	3.0c. per lb.

At six o'clock the house took recess.

After Recess

The house resumed at eight o'clock.

Mr. WEIR (Melfort): Mr. Speaker, when the house took recess at six o'clock I had dealt with one of the major arguments presented by the right hon. leader of the opposition. Nothing could be better evidence of how difficult it was for the right hon. gentleman to find arguments than the fact that he was forced to select the arguments he did, because they vindicate the stand taken by the manufacturers before 1930 that if they were assured of some tariff stability they could produce goods more cheaply and secure wider markets.

The next argument presented by the right hon. gentleman is an even better demonstration of how difficult he found it to discover anything to say against the Ottawa agreements. He had to travel all the way to the state of western Australia in an endeavour to find an argument against these agreements. He suggested that western Australia asked for separation from Australia because of these agreements. The referendum on the subject of separation was granted to the people of that state by a Conservative government and the vote was held in 1932, so the Ottawa agreements had nothing whatever to do with it. Although the referendum was carried the government that granted the referendum was defeated while the party that took a stand against the referendum was returned to power.

The right hon. gentleman next criticized this government for taking to itself the rights of parliament. This I deny absolutely. This government never has taken any step without having received the sanction of parliament, but what was the record of my right hon. friend when his government was in power? I hold in my hand a copy of an order in council dated at Government House, Ottawa, September 26, 1925, which reads:

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 Minister of Finance, is pleased to order that under the provisions of section 5 of The Australian Trade Agreement Act, 1925, and subject to the provisions of the said act, the rates of duties set out in schedule 2 to the said act shall be and the same are hereby extended to goods the produce or manufacture of New Zealand when imported into Canada.

Without even bringing the matter before parliament the government of the right hon. gentleman changed treaties to such an extent as to make a complete new treaty.

Then the right hon. gentleman dealt at some length with the attitude of the Prime Minister during the conference. In reading from the statement by Right Hon. Stanley Baldwin my right hon. friend was careful to read only that part that suited him. I should like to read what Mr. Baldwin said at the conclusion of the Ottawa conference:

Over that conference it was fitting that your own Prime Minister, the Prime Minister of Canada, should preside, and fortunate have we been that in Canada's Prime Minister we have a man so admirably qualified for that difficult task. He possesses a power of drive given to few, which is an essential element in the conduct of business of this kind. He has a grasp of detail which is astonishing, and yet with all, when one realizes what a grasp of detail involves, I have been struck all the time by his accessibility, that he has always been ready to discuss points as they arise with any delegation at any hour and in any place.

Nothing could more completely contradict the case which the right hon. gentleman and his followers have endeavoured to build up since that conference, to the effect that the Prime Minister had taken a dictatorial attitude at that time. I venture to say that when the minor details of that conference have been forgotten, the memory that will be outstanding in the minds of those who attended will be the particular characteristics of the Prime Minister that made it a success, as stated so well by Right Hon. Stanley Baldwin.

The other day in his address the right hon. leader of the opposition stated that he sat in the gallery and listened to the opening remarks of Mr. Baldwin. I think it only fair to the people of the country, and especially to hon. members of this house, that I take this opportunity of putting on record, by way of contrast to the attitude of the right hon. gentleman now, a verbatim statement given by him and appearing in the Toronto Daily Star of September 28, 1932, in an interview with Mr. R. E. Knowles:

"I observed you, Mr. King, at the conference's opening, sitting in the gallery, beside Sir Robert Borden. Did you and he suffer much? I mean, did you exceedingly long to be in the game? Did you not feel you could have done it better yourself?"

Mr. King only stroked the dome of St. Paul's, afore referred to, and laughed. "It was a great relief," he said—

In this you have the picture of a man who for nine years was prime minister of the country, clearly stating his great relief at being out of it all, with no urge, no thrill, no call of duty to see what contribution he could make. He was glad that it was possible for him to escape the effort.

The right hon. gentleman stated that Conservative members of parliament have been going around the country suggesting that if he is returned to power he will cancel the Ottawa agreements, and he has intimated that this is not correct. I should like to quote from one of the most partisan Liberal newspapers in western Canada, the Moose Jaw Times of October 19, 1933, which says:

We venture to predict that one of the first and major matters that Canada will expect of Mackenzie King and the Liberal party—when returned to power so soon as Premier Bennett provides a general election—will be a cancellation of the Bennett trade agreements—

This resolution has been placed before the house, Mr. Speaker, so that the people of Canada may know just where the right hon. gentleman stands in connection with this matter. He has stated that he has not changed his attitude since the Ottawa agreements were signed in 1932, and I should like to put on record what his attitude was at that time. I quote from Hansard of October 17, 1932:

How can we be expected to support them, and still preserve our self-respect in the matter of supporting our own principles? . . . I say the principle imbedded here is wholly indefensible and is undeserving of any support from any part of the British empire.

Some hon. MEMBERS: Hear, hear.

Mr. WEIR (Melfort): I am glad hon. gentlemen opposite say "hear, hear," because following the discussion of these agreements, and before the vote was taken, the hon. member for Macleod (Mr. Coote) moved an amendment, which asked that the Canadian dollar be placed on a parity with the British pound. So the house was asked whether or not it was in favour of the Ottawa agreements, with the added condition that the dollar be placed on a parity with the pound. The right hon. gentleman and, I believe, all his supporters, voted for that amendment, but what is the position at the present time? To-day the dollar is on a parity with the pound, but they refuse to take the stand they took at that time.

I have carefully read the statement of the right hon. leader of the opposition as to his stand on these agreements. In one-half column there are six if's, a number of and's, but's, maybe's, whether's, whether or not's and unless's. Plenty of loopholes have been left, and in addition he said he reserved the right to make a decision on such changes as might be desired. I must say, Mr. Speaker, in conclusion, that this, from the standpoint of a speech which purports to make a statement, is not a speech at all; but rather it is a cross-word puzzle.

Mr. G. W. McPHEE (Yorkton): Mr. Speaker, when before six o'clock I listened to the Minister of Agriculture (Mr. Weir) read into Hansard multitudinous statistics I recalled an incident which took place in this house when there was a passage between Sir Wilfrid Laurier and Sir George Foster. Sir Wilfrid, after listening to Sir George read page after page of statistics to prove that Canada was prosperous, rose in his place and said, "When the party I have the honour to lead comes into power it will not be necessary for one to read statistics to prove that he is prosperous. I will ask every artisan, merchant and farmer in the country to put his hands in his pockets, and there he will find the evidence of his prosperity."

In placing these statistics on Hansard the minister was simply imitating his leader's actions in the year 1931. We well remember that on April 21, 1931, the Prime Minister (Mr. Bennett) said, respecting western Canada, that these great provinces had produced $1,900,000,000 worth of new wealth in two years. He said he knew from bank reports that there were tens of thousands of farmers in western Canada who had bank balances, that he knew the farmers in western Canada had $300,000,000 worth of automobiles which in the previous year had cost them $9,000,000 or $10,000,000 in running costs and registration fees.

After hearing what the Prime Minister had to say and after listening to the Minister of Agriculture to-night I wondered whether or not we might be mistaken with regard to our prosperity, and I thought that perhaps, after all, these figures read so glibly might indicate that we are prosperous. But what are the hard facts? Never before in the history of Canada has agriculture in all its phases sunk to such a low level as it has during the regime of the right hon. gentleman opposite.

An hon. MEMBER: That is a wonderful argument.

Mr. McPHEE: I will give you the details of the argument later on.

Mr. SANDERSON: You can't take it; that's the trouble.

Mr. McPHEE: The minister read statistics to prove that the cattle business is prosperous, that the hog business is prosperous, and compared the prices for those commodities with the prices of 1932. Why did he not go back to 1930? That is the year his leader said agriculture in Canada was suffering, and that the panacea needed was simply his return to office, in which event the people of Canada would have all they required. Why did not the Minister of Agriculture tell the house and country that bacon and hams were worth $24 a hundredweight in 1930, while in the peak of the year 1933 they were worth only $11 per hundredweight? Why did he not tell them that, instead of putting on Hansard thousands of figures which can be of no use? I should like to place side by side with those statistics quoted by the minister the figures appearing in the statement I hold in my hand.

An hon. MEMBER: Oh, oh.

Mr. McPHEE: My hon. friend is a small individual and the person to whom he refers is a large one, and I would not begin to compare them. I do not interrupt when the hon. member is speaking; as a matter of fact I do not interrupt anyone. I want the Minister of Agriculture to take notice of the facts I am about to place on Hansard. I notice he has one of the highly respected cattle men of western Canada sitting beside him, and I wish he would take the advice of that gentleman. On November 4, a farmer of Stornoway shipped 26 head of cattle and 20 hogs to Winnipeg. The hon. member about whom I have just spoken has no doubt on many occasions shipped cattle to Winnipeg. On November 5, 1934, he received a statement from Winnipeg indicating that the cattle and hogs had been sold for $490.75 and after paying freight and other charges amounting to $108.75 the sum of $382 was coming to him. The result was that he received only $382 for 26 steers and 20 hogs. These are the hard facts, so far as agriculture in Canada is concerned.

I believe the figures I have given bear out my statement that never in the history of western Canada has agriculture reached such a low ebb as it has during the last five years under the supervision of the present government.

Mr. SANDERSON: The same applies to eastern Canada.

Mr. McPHEE: The question of the endorsement of the trade agreements reopens the whole matter of trade with Great Britain, and the preferences which Canada has given Great Britain in our markets. We go back to 1897, when the government of Sir Wilfrid Laurier introduced a preference which gave Great Britain a 25 per cent preference in the Canadian market. That amount was afterwards increased to 33⅓ per cent. What was the attitude of the Conservative party of that day concerning the subject of the British preference? Now they throw out the challenge, "Would you interfere with imperial conference agreements if your party came into office?" Let us go back to 1897 and see what their record was.

An hon. MEMBER: Would you cancel the agreements?

Mr. McPHEE: Yes we would, and restore the Liberal policy; and believe me we have already said so, from the Atlantic to the Pacific in four provincial elections and in half a dozen by-elections. I will deal with that before I am through.

Let us go back to 1897 when the British preference was introduced, and examine the attitude of the Conservative party of that day. These great loyalists of to-day, what were they then? Speaking in the House of Commons in the year 1897 Sir Charles Tupper, then leader of the Conservative party, said this about the British preference:

> What is the result? The result is that this tariff goes into operation, and the hon. gentleman knows that the industries of this country are already paralyzed in consequence. While hon. members gloat, vindictively gloat over the destruction of Canadian industries, I was reading the wail, the sorrowful wail, of those industries in the Montreal Gazette, where one manufacturer after another declared that their industries were ruined, that their mills must close, and that they saw staring them in the face a return to the deplorable state of things that existed when the hon. gentleman who last addressed the house was in charge of the fiscal policy of this country. I say that a deeper wrong was never inflicted upon Canada.
>
> I deplore from the bottom of my heart the ruin that is going to be inflicted upon the best interests of Canada.

So said the Conservative party of 1897. Three or four years later the preference was increased to 33⅓ per cent. This country derived great benefits from its trade with Great Britain; the volume increased by leaps and bounds. The Minister of Agriculture gave some figures showing our trade with the United Kingdom since the agreements became effective in 1932. Let me go back to the three years before 1930 and compare the trade in Canada with the United Kingdom in that period with our trade with the United Kingdom in the last three years. My hon. friend picked out the lowest year in this series of years of debt, deficit and decay. He took the year 1932 as the criterion. But let us go back to 1929, 1928, 1927, 1926, 1925, 1924, 1923, 1922, those prosperous years of empire trade, and see what are the figures.

In 1927 our imports from Great Britain amounted in round figures to $163,930,000, and our exports $448,000,000, or $285,000,000 more of exports than imports. In 1928 our imports from Great Britain amounted to $186,000,000, and our exports to Great Britain, $412,000,000.

Mr. LOUCKS: What was our export of wheat in 1929?

Mr. McPHEE: I will come to that in a minute, and I thank my hon. friend very much for reminding me of it; but let me complete these figures first. In 1929 our imports from Great Britain were $194,000,000, and our exports to Great Britain, $431,000,000. There was not a year previous to 1930 that our exports to Great Britain were not anywhere from two to three hundred million dollars more than our imports from Great Britain. But what about the years since 1932? In 1932 we imported from Great Britain $106,000,000 worth of goods as compared with $194,000,000 in 1929, and we exported to Great Britain $174,000,000 as compared with $431,000,000 of exports in 1929. In 1933 we imported $86,000,000 worth of British goods—a marked drop—and we exported $185,000,000 worth, as compared with $431,000,000 in 1929. In 1934 we imported from Great Britain $113,000,000 worth of goods and exported $270,000,000, as compared with $448,000,000 six years before that. Why did not my hon. friend take the years 1929, 1928, 1927, or preceding years and make his comparison with any of those years before 1930?

My hon. friend from Rosetown (Mr. Loucks) spoke about wheat, and I am mighty glad he mentioned it because there were some promises made in 1930 about wheat, and I want to go into that matter.

For the last two fiscal years for which we have the figures, what have been our shipments of wheat to Great Britain?—and remember that we are supposed to have a preference of six cents a bushel in the British market for our wheat. For the year ended March, 1933, Great Britain imported 133,000,000 bushels of wheat, and for the year ended March, 1934, 132,000,000 odd bushels—not very much difference. In 1933 Great Britain imported 75,000,000 bushels of our wheat, and she imported from the United States 2,000,000 bushels; from the Argentine 15,000,000; from Australia, 26,000,000; from Russia, 3,900,000, and from other countries, 10,000,000 bushels. But last year the United Kingdom imported from Canada only 46,000,000 bushels of wheat; from the Argentine, 29,000,000; from Australia, 28,000,000; from Russia, 14,000,000, and from other countries, 13,000,000 bushels, proving conclusively that during the year 1934, notwithstanding our preference of six cents a bushel in the British market, we sold 29,000,000 bushels less of wheat than we did in 1933, and that amount was taken up by the Argentine, Australia and Russia.

To complete the record of the Liberal government with regard to Canada's trade with Great Britain, let me say that every concession that was given by Canada to Great Britain was the result of Liberal administration of affairs in this country. Take, for instance, the first 25 per cent preference in 1897; then the increase to 33⅓ per cent some

four or five years later. The next preference to be extended to Great Britain is in what was known as the Dunning budget. I want this house and the country to realize the condition that was created in the mind of the British purchaser as a result of nine years of Liberal rule in this country under the leadership of the right hon. gentleman who now leads the opposition in this house. In one of the government publications published in the summer of 1930 there is this report of conditions obtaining in England with regard to Canadian produce. It is headed, "Canada Week in Bristol, England," and reads:

May 1, 1930—"Canada Week" designed as part of the publicity campaign that is bringing to the notice of British people the immense variety of Canada's products has just been successfully held in Bristol, England.

Five hundred leading stores gave up their windows to attractive displays of Canadian goods and tens of thousands of the public entered for a competition based on the varying popularity of what they saw or purchased.

Importers and wholesalers report a marked increase in demand and it may be said that Canada is definitely on the map so far as the west of England is concerned.

The lord mayor and city council gave the "Canada Week" the fullest civic support. Premises were taken in the heart of the city for the headquarters of the campaign to "boost" Canadian products and here thousands of samples were sold every day.

That was the condition of Canadian trade with Great Britain in 1930; but what happened in 1930?

An hon. MEMBER: The Hawley-Smoot tariff.

Mr. McPHEE: I will deal with that later. In 1930 we had a promiser go up and down this country. Notwithstanding that Canada then was prosperous, so prosperous that to-day Conservative speakers will not compare their record with that year or the years before it, we had a promiser go up and down this country saying: What you want is high tariffs in Canada. And now, Mr. Speaker, I come to the subject of wheat. "Listen, you agriculturists of western Canada and the rest of Canada"—I am going back to June 10, 1930. "Listen, you agriculturists of western Canada and the rest of Canada, you who have been taught to mock at tariffs and applaud free trade; tell me when did free trade ever fight for you. I will make tariffs fight for you. I will use tariffs to blast a way into the markets of the world." Those were the effervescent statements that won the election of 1930; and while my hon. friends opposite may gloat over the fact that numerically they have a majority in the house to put this motion through, I challenge them to appeal to the acid test of public opinion in Canada and see what will be the result.

At the time those statements were made by the present Prime Minister, Canadian wheat was selling for $1.10 a bushel, on June 10, 1930. What is the price to-day? The price to-day Mr. Speaker, is 60 cents a bushel, and it is pegged at that. Coarse grains went down last month from 17 to 20 cents a bushel, and yet we hear talk about a prosperous Canadian agriculture!

Mr. CASGRAIN: Never under the Tories.

Mr McPHEE: One of the cartoons my hon. friends opposite used in our western country in the election campaign of 1930 showed a Canadian wheat farmer standing in the middle of a wheat field shouting to a diminutive picture of the then leader of the government, "What are you going to do for my wheat?" Well, if he had the same concern about doing something for the farmer with wheat at $1.10 a bushel, what is the situation now with wheat at half that price?

High tariffs were to be the panacea that was going to cure all the ills of the country. The first imperial conference took place and the Prime Minister went to Great Britain and told the people of that country that they must maintain an open market for us, that they must impose a duty of ten per cent against the rest of the world so that we might have a preference. He was turned down. The Minister of Agriculture quotes the final message of Mr. Stanley Baldwin to the present Prime Minister of Canada as Mr. Baldwin was leaving this country. Naturally, an Englishman is a gentleman, and in leaving the country Mr. Baldwin wanted to pay as nice a compliment as he could to the man whose guest he had been. Why did not the Minister of Agriculture quote what Mr. Thomas said? Why did he not quote what Snowden said? Snowden said, "If you adopt the ten per cent tariff, then we are on the slippery slope that will lead to the bottomless pit." And there was Mr. Thomas with his "humbug."

The first imperial conference proved a fiasco, and at the second imperial conference we were supposed to get a preference of six cents a bushel on our wheat. Is there anyone in this house who will raise his hand and say that as a result of that agreement he got one cent of an increase in the price of his wheat, let alone six cents a bushel? But we did get something else out of that agreement. We again got a dose of high tariff which put us further into the mire than we had been

in before. We are told in the schedule attached to the agreement that Canada would give a preference to Great Britain in connection with a certain number of articles, and here again I want to pay tribute to the astuteness of the British bargainer. What do you suppose some of these articles were? What were some of the concessions which we gave to Great Britain in return for the supposed six cents a bushel on our wheat? To begin with, mickey mouse periodicals, No. 171 of the schedule. If any of my hon. friends opposite have any doubt about it let them refer to the article. Then we find automobiles from Great Britain, free of duty. There are two kinds of automobiles we could import from Great Britain, the millionaire's car and the little baby Austin, and I should like to see the baby Austin in operation on some of our sideroads in this country.

Mr. DUFF: What about the Bennett buggy?

Mr. McPHEE: I think I have some photographs in my desk. The millionaire automobile is admitted into Canada free of duty under the pretence of giving Canadian farmers a preference of six cents a bushel on their wheat, but if you want to import a bicycle for your boy or a baby carriage for your child you pay a duty of thirty-five cents on the dollar. Another item is ladies' long elbow length kid gloves; these are free of duty under the pretence of a benefit of six cents a bushel to Canadian farmers on their wheat, and which they never did get. But if you want to import babies' socks you pay 35 cents on the dollar and in addition seventy-five cents on a dozen pairs.

An evening or two ago, at the close of the session, I went down to get my mail and I got a government publication published under the auspices of the Minister of Public Works—a government report. I opened the book and in the dim and dismal light surrounding the post office I saw the almost nude picture of a man. I wondered whether it was Mussolini or Hitler or the rotund figure of my right hon. friend the Prime Minister. When I got to my room where there was a light I found that it was a picture of Job, the title being "Job in his Misery." Well, we are all familiar with the biblical story; we know what misery Job suffered, and we would be a hardhearted generation if we did not sympathize to the fullest extent with him in his affliction. But there are human boils and economic boils, and I do not need to tell the farmer and the labouring man of Canada that this country has had economic boils during the last five years. And what are some of the boils it has had? Tariff ruination for one thing. I have here a statement in connection with western agriculture which I should like to put on record. These are authentic figures. The Minister of Agriculture put some figures on Hansard and they may be authentic too, but it would take a generation to read them over and compare them.

In the United States a Ford truck can be bought for 595 bushels of potatoes; in Canada it would take 3,200 bushels to buy the same truck. A turkey rancher in the United States can buy a Ford truck for 2,795 pounds, whereas it would take 6,600 pounds of turkey in Canada to buy the same truck here. In the United States a cattle man can exchange six steers for a Ford truck whereas his brother the Canadian farmer would have to sell thirty Canadian steers at the price in this country if he wanted the same truck here. And if wheat is sold in the United States to buy the truck, the United States grain grower can get the Ford truck f.o.b. Detroit for 468 bushels of wheat, whereas the Canadian wheat grower would have to give in exchange, for the same truck in Canada, 1,082 bushels of No. 1 northern Canadian wheat.

Mr. GOTT: I suggest that the minister's figures are more discernible to people than the hon. gentleman's.

Mr. MacLEAN: Put it in onions and he will understand it.

Mr. McPHEE: We don't grow onions in our part of the country.

Mr. GOTT: They are brain builders.

Mr. McPHEE: If they are brain builders they sent a very poor sample of the product to this house.

The Minister of Agriculture in 1930 in conjunction with his leader, in order to encourage Canadian agriculture, Canadian wheat growing, said: "Tariffs are the panacea", and a ten per cent duty was put on barbed wire coming into this country that came in free of duty from 1897 down to the date of this agreement we are supposed to ratify on behalf of the Canadian agriculturists. Further, a duty of 25 per cent was put on cream separators. That is the way in which the Minister of Agriculture was going to help the dairymen—charge them 25 per cent duty for the machines which they required to separate the cream from the milk. Now we are called upon to endorse the agreement which imposes that further iniquity upon the Canadian agriculturist. I say that already Canada has

pronounced judgment on this sort of thing. The hon. member for Compton (Mr. Gobeil) said: "Let us take a vote on this; we will show what the people of this country think of this agreement." Anyone can see that a vote in this house with the party opposite with an effective majority would mean a majority for the government. But what about the country? People all over this country from the storm-girt shores of Nova Scotia to where the province of British Columbia bathes its feet in the placid waters of the Pacific, have already pronounced judgment upon these agreements.

Do my hon. friends think that the election in Nova Scotia was not fought upon these agreements? Well, the Conservative party in that province was almost wiped out of existence. What about the old province of Ontario? What about the first by-election that was held there after these agreements became law, the by-election in South Oxford, when the man who ran there on behalf of the Liberal party discussed nothing but these imperial conference agreements? What about Ontario, as I say, when my hon. friends opposite, entrenched as they were, were almost wiped off the map? What about Saskatchewan, the province from which the Minister of Agriculture comes? Do hon. gentlemen opposite think these agreements were not an issue in that election? They were.

Mr. SANDERSON: The only issue.

Mr. McPHEE: The minister went out to that province to discuss these Imperial conference agreements. So did the hon. member for Rosetown. Notwithstanding the fact that Mr. Anderson, the ally of the Prime Minister and the political godfather of the Minister of Agriculture, stood side by side with the Tory party, he and his friends were wiped out, horse, foot and artillery; they had not a man in the legislature to support them. That election was fought on these agreements. What about the election in British Columbia? These agreements were an issue there and the same fate befell the Conservative party in that province, with the one exception that one poor Conservative was elected and he had to change his designation before he got into the legislature. That is what happened in British Columbia. Now my hon. friends opposite say: "Let us put this thing to the test." Yes, put it to the test in this house where numerically by the effervescence of 1930 they have a majority. My hon. friends hold on until the last minute. Why did they not put this to the acid test last fall? Why did the government not go to the country last fall at the end of four years as in public decency they should have done? No, they did like their allies, Mr. Anderson of Saskatchewan and Mr. Henry of Ontario; they held on until the last minute to the fleshpots of their political Egypt. Bill Nye, the great American humourist, in his address to bachelors, makes this statement:

> Remember boys that the fellow who stands on the brink of the river frightened to jump into the water is ten times more apt to catch cold than the fellow who tumbles in head first.

Mr. Anderson of Saskatchewan and Mr. Henry of Ontario stood on the brink of the river of public opinion, shivering, and what a chill went down their spines when on June 19 last they went into the frigid waters of public opinion in this country! And the same thing will happen to the right hon. gentleman who leads the government. Let him bring on the election. He may in those fireside chats of his, communing with the spirits, talking over the radio, think he can dress up the old Tory party in a new crazy patchwork garment, but let the time come—and let it come soon—and the public intelligence of the electors of Canada will carry that old party to the grave of its political incapacity, unwept, unhonoured and unsung.

Mr. F. W. TURNBULL (Regina): Mr. Speaker, I do not intend to follow the hon. member for Yorkton (Mr. McPhee) through the mass of material that he delivered in the last forty minutes, because through it all he has not yet told us whether in his opinion this treaty merits the approval of the people. He talks about the crazy patchwork garment that was according to him put out in the speech of the Prime Minister (Mr. Bennett), but he forgets that his leader was very anxious all through this session to have that program that went over the radio put into effect, so much so that we could not even have private members' days; we could not even vote any supply—there was this great eagerness to put into effect throughout Canada the social reform program that my hon. friend calls a crazy patchwork quilt.

The election in Saskatchewan was not won on the question of the empire treaties. It was won on the solemn promise of Mr. Gardiner to tear up $10,000,000 of relief notes which Mr. Gardiner did not have and never will have to tear up. It was won on the promise that no more relief notes would be asked for from the people for the relief they were getting, a promise which was broken

within twenty-four hours of the time Mr. Gardiner got into office. It was won on the promise of dollar wheat, and my hon. friend says that after a few months of Liberal rule in Saskatchewan wheat is now sixty cents a bushel. It was won in my hon. friend's constituency by the letter he sent to some of his foreign speaking supporters telling them that from private information he had obtained in this house there were rumours that the foreign speaking people of Saskatchewan were going to be disfranchised.

Some hon. MEMBERS: Shame.

Mr. McPHEE: Will my hon. friend permit a question? Is it not a fact that this was in the original bill?

Mr. TURNBULL: He said that there was a rumour that foreign speaking people would be disfranchised.

Mr. McPHEE: It was not a rumour at all; it was a reality. I have the proof before me, if the hon. member wants it.

Mr. TURNBULL: This parliament did not disfranchise them.

Mr. McPHEE: But the bill was introduced here.

Mr. TURNBULL: In addition to that he says it may not be true, but make the best use of it. It will set the heather on fire in Saskatchewan. To one of these foreign speaking residents he said: "Use this to the best of your ability and ask everyone in Saskatchewan to register a vote against the Tory government of Saskatchewan"—because of something that was to be done here in Ottawa.

Mr. YOUNG: It was in a bill brought down by the government.

Mr. TURNBULL: He quoted some figures with respect to wheat. On June 4, 1930, the price of wheat at Fort William was $1.52 a bushel, and on September 4, before we passed any legislation here at all, it had dropped to 82 cents. If my hon. friends are prepared to take responsibility for the drop of 70 cents we will take it for whatever drop there has been since.

As far as the discussion of these treaties is concerned we have not got very far in learning the opinion of our friends on the other side. We have had some statements by the leader of the opposition with which we agree. He says they desire to trade with all countries; so do we. He has a desire to abolish all unwarranted tariffs; so have we.

Some hon. MEMBERS: Oh, oh.

Mr. TURNBULL: But my hon. friends opposite are very careful not to say what tariffs are unwarranted. If they did they might have the hon. member for North Waterloo (Mr. Euler) objecting to the abolition of the duties on motor cars and rubber overshoes. In 1932 he was the gentleman who objected to these millionaires' motor cars coming into the country free, because they wanted to build some in Kitchener.

Mr. EULER: We do not build them there.

Mr. DUFF: What about the babies' rubber pants?

An hon. MEMBER: You will need them.

Mr. TURNBULL: The right hon. leader of the opposition says they are ready to trade on a reciprocal basis; so are we. A few years ago he was not prepared to trade on a reciprocal basis; he was prepared to give Great Britain a fifty per cent preference, getting nothing in return. That is not a reciprocal basis. My hon. friends say it would be good for this country to give Great Britain a fifty per cent preference, on the old theory that you cannot sell unless you buy. If we should give it to Great Britain on that theory surely we should give it to the United States on the same basis; and if it would improve our sales in Great Britain surely a fifty per cent reduction would increase our sales in the United States, and in Germany, and in France, and all over the world. But my hon. friends do not urge that. They urged a fifty per cent reduction in 1919; the leader of the opposition then said that by that pledge he would stand or fall, but for nine years the only thing he did towards putting it into effect was to move in the opposite direction, finding it necessary to require that textiles should have a fifty per cent empire content instead of thirty-three and a third. The old content was restored by this government when they came back into office, and the British people appreciated it.

As the leader of the opposition said the other night, it is of no great advantage to quote figures unless the proper inference is drawn from them, because, he said, world factors have affected the whole course of world trade as well as trade between Great Britain and Canada, and would have affected it if there had been no trade agreements. That is true; there have been world factors that affected trade. That is the trouble with all the arguments put forward by my hon. friends on the opposite side. They forget that in quoting the 1930 figures they are

quoting figures with respect to what happened before they allowed the United States to shut our goods out of their markets. They forget also that they are quoting figures of what happened before they allowed Europe to shut wheat out of their markets. There has been something said with regard to the sales of wheat since this government came into office. Wheat should be discussed on the basis of the crop year, not the calendar year nor the fiscal year. The year for the wheat business is from July to July, the crop year. What is the record? I have here the figures from the Grain Trade of Canada:

Crop year:	Exports bushels
1928-29	344,000,000
1929-30	148,000,000
1930-31	220,000,000
1931-32	178,000,000
1932-33	240,000,000
1933-34	170,000,000

Note that the figures for the crop year 1929-30, ended July 31, the very time the Mackenzie King government went out of office, show that our sales of wheat had dropped to 148,000,000 bushels. In no single year since, at least, as far back as 1926, have we sold less wheat than we did for the last crop year that the Liberals were in office.

Mr. DONNELLY: Is that to Great Britain or to the world?

Mr. TURNBULL: To the world. My hon. friends are very much worried about tariffs. They are in opposition now, which explains it all. The hon. member for Labelle (Mr. Bourassa) said not long ago, that after forty years of experience of the Liberal party he had come to the conclusion that the Liberals always talked free trade out of office and practised protection in office.

Mr. SANDERSON: What did he say about the Conservative party?

Mr. TURNBULL: He did not have the inside knowledge of them that he had of the Liberals. Hon. gentlemen opposite have been making some comparisons with regard to the loss of exports as compared with 1930. I agree that there has been a loss of exports, measured in dollars. I agree that there have been world factors that influence things in this country. Apparently they do not admit that, except when they want to use the argument to their own advantage. But if we are to be responsible for some of this loss of trade then I say let the Liberal party take the responsibility for their share.

An hon. MEMBER: We will in a few months.

Mr. TURNBULL: According to the Dunning budget speech made on May 1, 1930, we lost in that year $243,000,000 of our export market, of which the greatest part was grain, the commodity that the hon. member for Yorkton is so much concerned about. I took the trouble to find out the loss until the end of September, 1930, which should also be credited to the Liberal party. Our loss in exports for six months of that year was $138,000,000. So when you compare 1930 with 1932 you should attribute at least $380,000,000 of the drop to the Liberal party, because it took place when they were in office.

Now, let us see what these world factors meant. It is true there was a drop in the dollar value of our trade; it is equally true that that drop took place all over the world. The exports of Great Britain declined just the same as ours; the exports of the United States declined just the same as ours. While there may have been a tariff party in the United States strangling trade, as my hon. friends say, there was none in Great Britain between 1930 and 1932, but the trade dropped just the same, because of world conditions. The drop started under Liberal rule and continued under Conservative rule until we succeeded in arresting it. Part of the drop in trade was a drop in volume; another part was in value. In order to find out how much was volume I took the trouble to get the Canadian trade figures for exports converted into 1926 values, as follows:

Fiscal years:	Declared value	1926 value
1926	$1,315,356,000	$1,315,356,000
1929	1,363,710,000	1,548,000,000
1930	1,120,258,000	1,255,496,000
1931	799,743,000	1,097,832,000
1932	576,344,000	1,007,261,000
1933	473,800,000	975,283,000
1934	579,343,000	1,054,661,000

So if you give us to the end of the fiscal year which closed on March 31, 1931—because up to that time the Dunning budget had been pretty well in effect—on the 1926 valuation basis our drop from 1930 had been somewhere in the neighbourhood of $250,000,000, while

our drop from 1931 until the present time has been $43,000,000. So the bulk of our drop has been in volume.

The situation when this government came into office was that the markets of the world were closed to our wheat. The hon. member for Yorkton says there was prosperity in the country. I happen to know that delegations of unemployed people paraded to the legislative buildings in Regina as early as 1929. They were promised nothing, but their leaders were arrested and put in gaol as vagrants. At that time we had started down the hill of depression. During the course of that campaign Mr. Dunning said that the only market we had left was the market in Great Britain. Speaking in Ottawa on July 22, 1930, the right hon. leader of the opposition declared that our trouble was that we were not able to sell our wheat. In 1929 we had only half a crop, but we were not able to sell it and he said that was the cause of our trouble in 1930. He was merely repeating what Mr. Dunning had said in western Canada. Mr. Dunning realized the position; he knew we had only one market left for agricultural products, but he did not believe he could get a reciprocal treaty, because he said the British people would never tax foodstuffs. Believing he could not get a reciprocal treaty and a real preference he tried for the next best thing, a sentimental preference, and in order to do that he reduced the duty on a number of articles coming from Great Britain and increased the duty on similar articles coming from the United States and other countries.

The right hon. leader of the opposition objected because increases in the tariff were set out in these treaties. There were increases in the tariff under the Dunning budget, put through for the very same reason the tariff was increased under these treaties, to divert trade now going to the United States, who would not buy our goods, to Great Britain, who would buy our goods. Duties were increased under the Dunning budget just as they were under these treaties; they were fine in the Dunning budget, but they were anathema when put through by a Conservative government. The right hon. gentleman will remember that on one occasion he made a treaty with Australia, and in order to give Australia a preference on raisins he raised the duty on raisins coming into this country from the United States and other countries to three and a half cents per pound, or a duty of forty per cent. There are occasions when you cannot give a preference unless you raise the duties in the intermediate and general schedules. For instance, we had no duty on ethylene glycol prior to these treaties, but in order to give Great Britain a preference we imposed a tariff of 15 per cent in the intermediate and general tariffs, leaving it free from Great Britain. That was what we did in connection with cream separators, to which my hon. friend from Yorkton referred. They were free across the board when we came into office. We imposed a duty of 25 per cent under the intermediate and general tariffs with free entry from Great Britain, and the country from which they come free is the country that fixes the price. The prices are lower to-day than they were when we came into office.

It was the Liberal policy of 1930 to give a sentimental preference in the hope that thereby they would reap some benefit. That was on the theory that you must buy in order to sell. When I was a boy I was taught that I must sell in order to get the money to buy. My Liberal friends, as usual, have things upside down and do the buying first. Let us examine this proposition of buying in order to sell. Suppose we had given Great Britain the complete Canadian textile market, had closed up all our own textile mills and prohibited the importation of textiles from any other country, so that Great Britain would have all the business. Then, having done that, suppose a British miller started out to buy a cargo of wheat for his mills, knowing he had to sell his flour in competition with the rest of the world. Suppose he was offered a cargo of Canadian wheat at $1 a bushel and a cargo of Argentine wheat of comparable quality at 99 cents a bushel. Which would he buy? We all know that he would buy the Argentine wheat, just as you or I would, and that is a complete answer to the argument that you must buy in order to sell. I think it is a complete answer to any onesided arrangement. As the right hon. leader of the opposition said in his younger days, when he was a little more obstreperous than he is now, if I may use the expression, trade cannot be a jug-handled proposition; it must work both ways. That was when he was talking about reciprocity with the United States; he did not want reciprocity in those days. He told hon. members in the far corner of the house that with the United States duty as it was, shutting our goods out of their country and perhaps pressing more heavily on the part of the country from which the Progressives came

than on any other part, he was not prepared to lower our duties against the United States, that trade was a two way street and there was not any jug-handled proposition about it. That is what has gone wrong with our Liberal friends; they talk free trade, but when they do that they do not mean it; they mean free imports, and free imports and free trade are two entirely different things.

A fifty per cent preference to Great Britain under the Dunning budget would not have induced any further purchases from that country, and did not induce any. We took the position that a trade agreement had to be a two way agreement. Referring again to the opening speech of the right hon. Prime Minister at Winnipeg, in 1930, he said:

> We pledge ourselves to foster and support a plan for greater empire trade to be based on mutual advantage.

The imperial preference treaties were a fulfilment of that pledge, a pledge upon which the people of the country returned the Conservative party to power in 1930. The great difference between the two parties at that time was that the Dunning budget was a preference in return for a hope, while the Conservative program called for a preference for a preference. The people preferred the latter, and under the leadership of the right hon. Prime Minister they got it, in spite of the fact that very few people, either within or without this house, thought that could be accomplished.

I think, Mr. Speaker, that the house is rather indebted to the hon. member for Toronto-Scarborough (Mr. Harris) for giving us the opportunity of pronouncing once more upon these agreements. If some hon. gentlemen opposite will take the trouble to look through Hansard of 1932 and 1933 and read some of the remarks they made about these treaties at that time I think they will welcome this opportunity of taking some of their words off the record, of saying a good word for the treaties for which all the rest of the people of Canada have a good word, and of putting themselves right with the Canadian people just as they have in connection with social reform. The right hon. leader of the opposition objected to the treaties because they were based on Conservative tariff policies, and, he said, would further aggravate conditions that were already pretty bad. He said that we had abandoned the principle of control of our own fiscal policy and had supported another equally vicious, namely the principle of imperial control. He said that the abandonment of our fiscal freedom was a principle we ought not to support. Later on the right hon. gentleman said that it was a Tory conspiracy, a protectionist zollverein, and that it was going to extend like a ring of iron around the British empire as a whole. Then, as the Minister of Agriculture said this afternoon, having established all those principles which he could not possibly swallow he seemed content to swallow them all if we would just place the dollar on a parity with the pound—and all his friends on the other side of the house swallowed them with him.

Mr. Hepburn was afraid it would provoke another trade war. The hon. member for Melville (Mr. Motherwell) thought the whole world would be smothered in hogs. The hon. member for St. James (Mr. Rinfret) thought our national status was very badly affected, and that an attempt was being made to depart from the principle of self government within the empire. They seemed to be afraid of a danger of creating ill feeling, but all their speeches reeked with dissention and ill feeling.

The hon. member for Shelburne-Yarmouth (Mr. Ralston) was quite sure the treaties would not be of the slightest benefit to the lumbermen of the maritime provinces. The hon. member for St. Mary (Mr. Deslauriers) was sure it would lead to a military alliance, that it was part of a scheme of imperial defence, and that our autonomy was seriously affected. The hon. member for Nicolet (Mr. Dubois) thought it would be very much better and much to our advantage to trade with the entire world, but especially would it be to our advantage to trade with the United States. The hon. member said that the agreements were no more or less than economic imperialism, and that there would be military imperialism. Then, the chief whip of the Liberal party, the hon. member for Charlevoix-Saguenay (Mr. Casgrain) was sure that we would have to build a navy or contribute to the defence of the empire. The hon. member for Yorkton (Mr. McPhee) set the heather on fire again with the idea of building up a military caste to enforce the tariff policy. The hon. member for North Wellington (Mr. Blair) would not sacrifice his birthright for a mess of pottage. Now that the terms of the treaty were disclosed his farm was for sale, because, he said, there was nothing in it for the farmer. I wonder if his farm has been sold. The hon. member for Vancouver Centre (Mr. Mackenzie) broke out in Winnipeg while on his way west, and has not recovered from it yet. He outlined fourteen different objections to the treaty, the principal one being that we had locked the door and barred the gate. He ventured

the prediction that unless the Canadian people through the Canadian parliament inside of five years altered the agreements they would witness a complete destruction of the lumber industry in the province of British Columbia.

I think perhaps I shall be a little more kind than usual to the hon. member for South Perth (Mr. Sanderson), and I shall let him off.

Mr. SANDERSON: Go ahead.

Mr. TURNBULL: I do not believe he would like to hear what he said. We heard parts of it this afternoon. However, if he wishes to hear some of it, I will say he said the following:

> The fact is, we have never had a piece of legislation like this in this country, and I hope we never shall have anything like it again.

After all that I should think hon. gentlemen opposite would welcome an opportunity to place themselves on record before the Canadian people after having seen the treaties in operation for two years.

One of the greatest objections to the tariff was that it was protective. I have already quoted observations made by the hon. member for Labelle concerning the question of protection. I have quoted the objection of the hon. member for North Waterloo. He has objected that the treaty reduced the duties on motor trucks and allowed rubber overshoes in free, and that that action has had the effect of discriminating against industries in his town of Kitchener. I have the information also that at a certain stage of proceedings in the House of Commons he expressed approval of the Prime Minister's policy regarding protection. The hon. member's words were:

> That statement apparently gives some comfort to my friends opposite. And I have no apologies to make for it. In fact I was going to say in regard to that that the leader of the government and myself in my modest way were in substantial agreement.

So far as I can see, the view of the Liberal party is that they do not disapprove of the treaties quite as much as they did in 1932, but if brought into office they will modify them. I say to them that is no reason for voting against the treaties, because the agreements contain a clause providing that they may be modified or varied from time to time as the parties may decide. For that reason we could modify them inside of five years without waiting until the five years have expired. On that ground hon. members opposite should vote for the treaties, instead of opposing them, because there are provisions for modification.

At this point may I interject some observations to correct the hon. member for New Westminster (Mr. Reid) on some of his figures. I do not know whether all his figures were as incorrect as the ones to which I shall make reference, but I hope they were not. He said Canada exported 86,000,000 pounds of butter in 1932. When I heard it I was amazed at the success of our exporters, but unfortunately I discovered he had quoted ten times too much.

Mr. REID: I got the figures from the Minister of Trade and Commerce.

Mr. TURNBULL: The figures were correct when my hon. friend found them, but he made a mistake in converting them from hundreds to pounds.

Mr. REID: I dispute that statement.

Mr. TURNBULL: The leader of the opposition—

Mr. REID: It is incorrect, and I dispute that statement.

Mr. TURNBULL: The right hon. leader of the opposition has made the statement that if his party is returned to office his first objective will be to bring the tariff of Canada back to where it was at the time he left office. I do not know what these objectives mean, because only a few days ago the right hon. gentleman said that one of his objectives was to have free trade in automobiles. He has not yet reached that objective, and I do not think he ever will. However he has stated that one objective is to put the tariffs back to where they were when he left office. He states he never said he would cancel the treaty. I will tell him he cannot put the tariffs back where they were when he left office unless he does cancel the treaty. The hon. member for North Winnipeg (Mr. Heaps) rose in his place the minute after the leader of the opposition sat down and put upon the right hon. gentleman's words the interpretation every other hon. member put upon them, namely, that they could only mean he intended to abrogate the treaties.

I have in my hand a statement containing sixteen pages of items with respect to our tariffs in which the rates are lower than they were when we took office. These pages contain 219 items and parts of items, and 167 of those items and parts of items are on the British free list which formerly had tariff protection of from 7½ to 25 per cent. Thirty-five of those items are free to the world. If the right hon. leader of the opposition does as he says he will, namely, put the

tariff back to where it was when he left office, he will have to change some of his so-called anti-protectionist principles. He will have to raise the tariff on each of those items; he will have to take 167 items off the free list so far as Great Britain is concerned and put them back on the list bearing duties ranging from 7½ per cent to 25 per cent. The opposition applauded when he made that statement.

An hon. MEMBER: Put the items on the record.

Mr. TURNBULL: Some question has been raised with regard to our exports of hogs. I have before me figures for one western constituency which indicate that in that constituency in the year 1929, 21,000 hogs were marketed. In 1932 there were 70,000 marketed, or three and one-third times as many. In 1929, 1,151 of those hogs were selects, and in 1932, 6,023 were selects, or five and one-half times as many. Of bacon hogs there were 3,000 selects in 1929, whereas in 1932 there were 22,000 or more than seven times as many. Of course that may not be attributable to the treaty. I have before me a record from the Canadian Packers' Association indicating that in 1932 Canada produced about 6,000,000 hogs, and that in 1933 about the same number were produced. The difference between the 1932 and the 1933 price was an average of $6.36 per hundred pounds, or $12.72 per hog. That was the time my hon, friend from South Perth thought that the $3.75 price would drop far lower because the world would be smothered with hogs.

Mr. SANDERSON: Will my hon. friend permit a question?

Mr. TURNBULL: Certainly.

Mr. SANDERSON: I would ask my hon. friend whether he is prepared to say that the increase in the price of hogs and the sale of hogs was entirely due to the Ottawa conference?

Some hon. MEMBERS: Sure.

Mr. SANDERSON: I am asking the hon. nember for Regina.

Mr. TURNBULL: I am of the opinion that the greatest part of the increase, if not all of it, was due to the empire agreements, and the agreements were not all eyewash, as my hon. friend said they were. As a result of the agreements the producers of Canada received over $28,000,000 more for their hogs in 1933 than they did in 1932.

With respect to cattle, the Hawley-Smoot tariff was put into effect in June, 1930, and our sales of 232,000 head of cattle in 1930 fell to 5,600 head. We found some sort of market for them in the old country. Our exports to the United Kingdom were none in the fiscal year 1930, but were 50,000 head in 1933. If we had not had an opening in Great Britain for these cattle, shut out of the United States market as we were, we would have been in a rather difficult position.

My hon. friends opposite are in favour of freer trade. The figures of the bureau of statistics show that in 1925, when my hon. friends were in office, of the goods we imported from Great Britain 17·5 per cent were free; in 1929, 20 per cent were free; in 1932, 25 per cent were free, and in 1934, 45·7 per cent of the goods coming from Great Britain entered this country free. Now if my hon. friends opposite are in favour of freer trade they ought to vote for these treaties because they gave us freer trade. We have had increase in trade not only with Great Britain but with all countries. Our exports to all countries in 1933 amounted in round figures to $160,000,000; in 1934 they were $231,000,000, an increase of 44 per cent. Our exports to foreign countries increased from $85,000,000 to $117,000,000, an increase of 37 per cent, while our exports to the United States increased from $51,000,000 to $82,000,000, an increase of 61 per cent; and our imports increased accordingly. That shows that by our tarff agreements we have succeeded in getting freer trade with other countries, and having got it, and thereby increased the purchasing power in our own country, we were able then to buy and sell more goods in our own country.

But there are other benefits that arise from the treaties that have not yet been touched on so far as I know. The first is that by these treaties we escaped the British Import Duties Act. It did not need any act of the British government to make those duties effective. The act was passed in the spring of 1932 and automatically was to become effective in November of that year unless a treaty was made. If the treaty had not been made our goods going into Great Britain would have been subject to a duty of ten per cent or higher in all those lines of agricultural products that we have been selling to Great Britain since then. That alone is sufficient or should be sufficient to obtain the support of all members from all corners of the house.

But in addition to that fact there was a clause in the treaty which prevented dumping on the British market. That clause is so important that I intend to read it in full. It is article 21 of the treaty, as follows:

> This agreement is made on the express condition that if either government is satisfied that any preferences hereby granted in respect of any particular class of commodities are likely to be frustrated in whole or in part by reason of the creation or maintenance directly or indirectly of prices for such class of commodities through state action on the part of any foreign country, that government hereby declares that it will exercise the powers which it now has or will hereafter take to prohibit the entry from such foreign country directly or indirectly of such commodity into its country for such time as may be necessary to make effective and to maintain the preferences hereby granted by it.

This was the article that was invoked by the Canadian government to prevent the agreement being made by the British Timber Distributors Limited, the agreement that was under discussion in the house here to-day. Every member of this house knows what happened in 1932. Russia having ruined her ruble for foreign purposes by inflation, and desiring foreign exchange, was under the necessity of selling something to some other country in order to get foreign exchange to pay for her five year plan. The result was that she elected to take wheat as one of the articles that she would sell. She took it from her people to the point of starving millions of them to death and dumped it on the English market at whatever price she could get for it, driving the price of wheat down to the lowest level that it had reached in England for years. As a result we in western Canada were getting about 20 cents a bushel at the shipping point for first class varieties of wheat. That was the condition that prevailed in 1932. But article 21 of the agreement, which I have just read, prohibits that sort of thing, and if anything of that kind does happen all we have to do is appeal to the British government and have them put into effect article 21 with regard to the dumping of that product into Great Britain. The result has been an increased value for our wheat in the British market, and in that one item alone the treaty has been of immense value to the western farmer. We have had an increase in the price of our wheat from 43 cents to as high as $1 a bushel. The price is a little depressed at the present moment by reason of a case with respect to gold that is now pending in the United States courts.

Under these treaties we increased not only our business with the United Kingdom but our business with the other countries of the empire. I have here the figures of our exports by calendar years, for 1932 and 1934, and I take those years not because 1932 was the lowest year, but because 1932 was the treaty year, and from the treaty year we start. The figures are as follows:

Exports—By Calendar Years

Country	1932	1934
United Kingdom.. ..	$178,000,000	$278,000,000
British South Africa.	4,400,000	11,500,000
Irish Free State.. ..	2,500,000	3,800,000
Australia..	7,100,000	16,870,000
New Zealand..	3,400,000	6,800,000
British India..	2,700,000	4,600,000
Newfoundland..	5,600,000	6,600,000

Mr. J. S. WOODSWORTH (Winnipeg North Centre): Mr. Speaker, several days ago a member of the Liberal party moved a resolution which in reality amounted to a motion of lack of confidence in the government, and it was moved ostensibly that we might get along with the business of the house more quickly. Some of us felt that the object sought was not being attained in that way, that that resolution so presented was delaying our getting down to the real business of the house, so notwithstanding the wording of the resolution I declared that I would vote against it. I do not believe the house should be held up by purely party motions of that kind. To-night we have a similar exhibition from the government side. What is the resolution that has taken up a second day of the time of this house? It is as follows:

> That, in the opinion of this house, the operation of the trade agreements concluded at the imperial economic conference held at Ottawa, 1932, merits the approval of this house.

That is, it is a vote of confidence in the government, moved by a supporter of the government It is a most extraordinary thing, and if there were such a thing as ruling a motion of that kind out of order it should be ruled out of order. Since I cannot do anything else in the matter I propose therefore, irrespective of the terms of the resolution, to vote against it. That is the only way we can make a protest against such purely partisan resolutions. Either we have to walk out, which is one possible course, and refuse to vote on such resolutions, or else we must vote them down until such time as both the old parties understand that there are at least a few people who are not to be played with in this way.

What is the business of the house? We were told that the government was prepared with a reform program, and we had some twenty major reforms listed in the speech

from the throne which, if they are to be carefully considered, will require all the time of this house from now until July; and yet a supporter of the government comes forward with a resolution of this kind relative to an action of the government of three years ago. Are we to be compelled in this house to go on, over and over again, threshing the old straw of three years ago? I think it is about time we cut out this thing. It has been a splendid field day for the old party politicians and they have taken full advantage of it to put upon Hanasrd a lot of the old party stuff which no doubt will be repeated on a great many of the hustings in the days to come. But I regard it as purely a party manœuvre; and further than that, I resent—I am not a new member—the futility of so-called debates of this kind. It is easy for one member to get up and read a set of statistics which the rest of us have not seen; they may be right and the member may get away with it. And then another member gets up and reads another set of statistics which may also be correct. But what good is this performance? True, the member may send his speech back to his constituency, but I claim that this procedure is a waste of time and money. If we have to make such speeches let us adopt the American principle and not go to the trouble of speaking on the floor, but hand our copy over directly to Hansard, allowing each member to place so much material on the record.

I do not propose to go into the details of the previous speeches. I confess I thought the member for Regina (Mr. Turnbull) very well answered the Liberal party when he held before them the Dunning budget; I do not see that the Liberals can have a very good answer to that. On the other hand, in urging that trade had to be a two way agreement, the hon gentleman really made out that there was no such thing as sentiment in business with the old country; buyers would buy in the cheapest market regardless of imperial sentiment. Well, if that is correct, and I think it is, why should we set to work to limit our trade because of imperial sentiment by committing ourselves more or less to one country, when we might have a dozen countries with which to establish trade connections? The only time I ever voted in favour of imperial agreements in any form was when I suggested that we should have an imperial preference as a first step towards wider free trade. That is the only ground on which I can justify anything in the way of imperial preference.

The hon. member for Regina has shown considerable interest in turning up old files of Hansard. I was glancing over the discussions of 1932, and I find that when the then Minister of Trade and Commerce (Mr. Stevens) was presenting his case he urged that the factories should be kept at work; and when my colleague from North Winnipeg (Mr. Heaps) called attention to the very low wages paid in the textile factories the then Minister of Trade and Commerce said this:

> My hon. friend asks me also: Do I think it is fair that the rate of wages which he quoted should be paid in Canada? I would not wish to subscribe to the statement that it is fair, I have not given the matter specific study. I think it ought to be very carefully studied, and I believe it will be. But after all that is a matter which comes under provincial jurisdiction, because the minimum wage law is a provincial law. For the sake of the discussion here I am assuming that the provincial authorities in Quebec have examined this matter and are satisfied.

I am very glad indeed that the former Minister of Trade and Commerce has given this matter study; I am very glad that he has revised his ideas and come to the conclusion that this is not merely a provincial matter but one that should be dealt with by the federal government. I am glad too that the government itself, of which he was then a member, has also changed its tactics and decided that minimum wage legislation is essentially a federal matter. As one looks back even three years one does find progress along certain lines, even though it is a bit streaky.

I would call attention to the atmosphere that prevailed at the time of the imperial conference. We were told that this imperial conference was really the big thing which would solve our great economic problems. We waited almost with bated breath for the results of the conference. Well, we all know that it was considered a dismal fiasco. Then we had brought down to us a few of the little agreements which came out of it. But I do not want anyone to forget the spirit with which the government went into the matter. The Prime Minister in his Calgary speech said this:

> Nations outside of the empire would be asked to pay some tribute for the privileges of trading within the empire.

That is to say, the idea was not to secure freer trade, as one might almost infer from the speech of the hon. member for Regina, but rather to stabilize a high tariff. That was essentially the idea behind the agreements; and we were asked to do that in the hope that it would very largely solve our economic problems. I tried to point out on that occasion that these agreements would make it

more difficult for us to secure international trade, and I think that on the whole that has been the result. It is all very well for us to say that it has been of assistance to our apple shippers or our hog raisers. It is easy enough to select one or two specific commodities; I have no doubt that there are certain ways in which we might say the agreements have been of benefit. But that is not the way to estimate them; we must think of the entire trade of the country: that is the only fair way of gauging it. We must think too of the conditions as they exist to-day. A number of speakers talk as if they could think only in terms of these agreements, and that whatever has happened is the result of these agreements. But anyone with the merest smattering of logic will see how fallacious such arguments are. Do we not know that in addition to tariffs we have had quotas and foreign exchange fluctuations of all kinds? Surely these are just as important as tariffs. And then there have been the great world movements all about us. The government, quite rightly I think, resents the criticism of members on this side when they try to blame its policies for all the disasters that have befallen Canada in the last three or four years. I agree with the government in that; On the other hand it is ridiculous that some supporter of the government should rise in his place and say that because hogs have brought a little better price, the government's policy has solved the whole problem and that the agreements are satisfactory. Nothing of the kind; such a statement is ridiculous. We do not get any further in this country by maintaining such a position.

When the empire agreements came up three years ago I pointed out that it would be more difficult under these agreements for us to secure international trade. Further, we representing labour tried to emphasize the point that there was absolutely no protection for the wage earners. There might be help for a few factories or a few classes of industry, but there was no protection for the workers even in those industries. I think the Stevens investigation has absolutely proved the truth of the contention we made at that time. In addition to that, some of us tried to point out that whilst you might for a moment centre attention upon this or that industry, we had to think of the consumers generally, because while a very considerable proportion of our population consists of producers, there are other people who are not technically producers. Whether a man is economically a producer or not, every man is a consumer and we have to look at this matter from the standpoint not merely of some one particular producer but of all the producers and certainly of all consumers. That matter has so far not been very carefully discussed in the present debate. I would say that even as far as we have heard the discussion the case is not proven. That is all I can say, and as long as it is not I do not see how we can be expected to vote in favour of it.

May I read a paragraph of the statement I made three years ago as recorded in Hansard, 1932-33, at page 433, as follows:

> It may be that one or two factories may employ a few more men; it may be that a few apple growers will sell a little more fruit, and to that extent I suppose this agreement is an advantage, but those are very small matters especially when we consider that those who benefit are doing so largely through other arrangements which are loading an even heavier burden upon the consumers of this country. I revert to the primary matter of which I spoke. It was hoped that the conference would help in the solution of one of our great economic problems,—unemployment—but at present we are facing unemployment to a very serious extent, and apparently nothing is ahead of us in the nature of a solution. We cannot very well support an agreement of this kind when it makes no provision for bettering the lot of the common people of this country. We are not voting against every particular item in it; let no one make that statement. We are forced to say yes or no, and looking at the matter in a large way, from a Canadian standpoint, we must say no; looking at the matter from the international standpoint, we must say no.

Just one more word. I said a little while ago that the Imperial conference agreements were brought forth with almost as much—

Mr. BELL (Hamilton): Eclat.

Mr. WOODSWORTH: No, "éclat" is not the right word; perhaps "ballyhoo" would be a better word—with almost as much ballyhoo as the present reform program of the government. Certainly we were given to believe that the imperial conference agreements were going to be the solution of Canada's greatest problems. Has it solved them? I do not think any member of the government will dare to say that it has. The best witness that I can produce is the Prime Minister (Mr. Bennett) himself who comes forward now and tells us that we are in a very bad way; that we have been sick unto death and that the only possible way to get out of our troubles is by adopting an altogether new type of program. I agree with him that we are to have a new type of program.

Miss MACPHAIL: A change of medicine.

Mr. WOODSWORTH: Yes, we are to have a change of medicine, a new line of treatment. All I want to suggest here is that entirely irrespective of this or that particular industrial or local benefit that may have come through the imperial trade agreements, those agreements did not to any large degree solve any of the major economic problems of Canada. I think that must be admitted. Further than that, I would appeal to the government that they do not bring forward or permit their supporters, if they have control over them, to bring forward any more of these time wasting resolutions, but that we get down to the reform program we were promised at this session.

Mr. A. W. NEILL (Comox-Alberni): Mr. Speaker, for the first two weeks of this session every party in this house made a very sincere effort to abstain from partisan political strife, and in most cases the effort was successful. We made unprecedented progress with the business and the debates were kept upon a high plane. Then the hon. member for Toronto Scarborough (Mr. Harris) was prompted to bring in this motion and by so doing he pulled the plug out of the boat. The flag of truce came down with a run and the House of Commons was suddenly transformed from a legislative body into a political hustings. So it will continue to the end of this debate.

I feel strongly tempted to follow the example of the last speaker (Mr. Woodsworth), and say that I will vote against the motion just for that reason. The introduction at this time of this resolution was totally uncalled for. The agreements are not on the legislative program of this session; they are not up for revision or alteration in any sense. If the government wish to get a verdict on their actions in that regard, they will get a verdict from the people at the polls. The fact that this motion is passed by their usual large majority will not affect the issue one iota in the country, and we are wasting a great deal of time when we should be getting on with more important business. The hon. member who introduced the motion began mildly and in general terms, but he had not got into his stride very far before he turned it into a political appeal of a partisan character to the people at large. The introduction of the two flags at the close of his remarks gave just that nice touch of political patriotism without which some people seem to think no speech is complete when presented to the people of Canada.

The motion as introduced is a trick. It demands yes or no to a specific question which is not capable of being intelligently answered yes or no. It is like the old gag of asking a candidate if he had stopped beating his wife, or of the curate who, embarrassed by discovering when he was the guest of his bishop that he was eating a bad egg, said that it was good in spots. This is a similar matter; these treaties are good in spots. It would be very remarkable if they were not. I presume they had some good effect in connection with apples and hogs. I take the word of the Minister of Agriculture (Mr. Weir) for that rather than my own knowledge, because these matters have not cut any issue in the district which I represent. I will take his word for it that they have been productive of good on those particular types of industry. Then as regards lumber they also have been of some benefit, helping us get an alternative market to that destroyed by other policies. I am willing to give credit for such benefits, although I regret to say that they did not produce much improvement in the district in which I live.

The hon. member who introduced this motion, and indeed every speaker on both sides, has played up statistics; they can prove anything by statistics, more so at the present time than ever before I think, because there was a distinct drop in prices and trade and then a distinct uplift. It is therefore easy, by taking either two succeeding years or months, or going back two or three years to produce any result whatsoever from the same set of figures quite sincerely without any manipulation of them except in the way they are presented. I have here a string of instances by which I could prove that while no doubt the statement as to increased trade with the empire is correct, in many cases you find that it was accompanied by still greater increases in our foreign trade. I am not going to press that because as I say with figures you can prove anything. I am going to quote only one instance. I shall take it, as I suppose other hon. members take their information, from the bulletins of the Dominion Bureau of Statistics. I call this to the attention of the present Minister of Trade and Commerce (Mr. Hanson); I am sorry he is not in his seat. I do not accuse him of any wrongdoing; I simply call his attention to it and suggest that he should instruct his deputies and clerks to be more careful. This stuff that is got out from day to day and from week to week is I think intended largely as propaganda on behalf of the government, and I do not object to that provided the figures are accurate. This is from the bulletin of Tuesday, January 22, 1935:

Canada's Imports	
December, 1934..	$11,081,000
December, 1933..	10,988,000
Difference..	$ 93,000

This difference is said to represent eight per cent, and it is not a clerical error, because the word eight is written out. But if any hon. member will check that I think he will find it is not eight per cent but ·8 or eight-tenths of one per cent. That is just one thing I picked up casually the other day. If they are all no more reliable than that, what is the use of quoting statistics? And while it says there has been this increase in empire trade of less than one per cent, in the case of foreign countries it was fourteen per cent. I could give a lot of other instances such as increased imports from the British empire of one per cent and from foreign countries of thirteen per cent; or decreased imports from the United Kingdom of over one per cent while from the United States they increased twenty per cent. But as I say I am not going to press that; I am merely giving it to illustrate that you can prove anything from figures. The real fact is that these increased figures that everyone is quoting to his own advantage result from the general improvement in trade and not solely from the Ottawa agreements. If they were due solely to the Ottawa agreements then the increase in trade would be reflected in the trade with the British empire only, whereas I could give half a dozen instances in which it is shown to a far greater extent in trade with foreign countries.

I turn back to some notes of a speech I made on October 25, 1932, dealing with this subject—a rather rash speech; I was taking upon myself the role of a prophet and trying to foresee conditions as they would happen in years to come. However I am not greatly dissatisfied with the result; while perhaps I exaggerated in one respect there are other things I did not foresee that have turned out to be a disadvantage to the district I represent. I see I said:

> We will all hope it turns out better than we believe it will—but always looking forward to a world conference.

I was emphasizing that what I hoped for was a satisfactory outcome of the world conference; that it failed was not the fault of this dominion or of the Prime Minister. I stated that on butter there was to be a preference of ten per cent but that it was largely nullified by the fact that the same privilege was given to New Zealand and to Australia; that these countries were our principal competitors and that it would be practically impossible for us to meet the competition of New Zealand and to some extent that of Australia. I said I did not altogether blame the government for this, but that the preference given us was immaterial because our biggest competitor got it also. In regard to eggs I said that the preference was about eight to ten per cent, but unfortunately because of our distance we could compete only with storage eggs, and we have to compete with eggs from Denmark, situated close to the English markets, delivered fresh daily, and that owing to the fact that at that time they depreciated their currency to the same extent as Great Britain they had a preference of twenty-five per cent over us. That particular factor has now passed away. In connection with eggs I also referred to the much greater benefit it would have been if the government had given us relief in connection with freight rates on grain to British Columbia. I give the Prime Minister credit, for I believe it was entirely due to him, that since then we have got a small measure of redress for that grievance, but not to the extent we should, and only on a small part of the traffic.

Then we come to the question of fish and lumber, and I see I said that Mr. Tolmie, the premier of the province, understood that fish and lumber were to get a twenty per cent preference, but when he heard that Great Britain refused to give more than ten per cent because Canada held back on textiles he wired to Ottawa emphatically protesting against the two basic industries in the west being sacrificed on account of secondary industries in the east, and I gave him credit for so doing.

As to lumber, we did not get a preference on props or lumber for shipbuilding, and while we may or may not have got a preference on shingles—I forget if we did—it was of no use anyway because of course the British people do not use wooden shingles on their houses. The ten per cent was not sufficient, although I frankly admit that the results were better than I expected. We received some little help from the fact that the exchange was favourable to us, but we have now lost that. What I think helped us more than anything was the very unusual situation that arose because Russia took it upon herself to arrest some British subjects and put them in gaol, and Britain stayed by her subjects and promptly put an embargo on all trade with Russia, a thing that would not happen again in a hundred years. That switched the trade to Canada, and British trade once directed into any course has a way

of staying put. Of course they had some lingering antipathy to the Russians for the way they had acted, which was very largely the cause of our getting a foothold in the lumber market of Great Britain. But it is uphill work; it is a long haul. There is a handicap against us of about $10 per thousand feet on the haul. Then there is the fall clause always hanging over our heads, and section 21 has been discovered not to be as effective as we supposed. A great basic fact is that Russia is an enormous buyer of goods from Great Britain, and Britain is first and last a salesman; she wants to sell, and Russia cannot pay gold for everything she buys, therefore she has to sell goods; that is a large factor at the back of the desire you see in Britain to buy lumber from Russia.

The trade we lost to the United States—I am not going to give figures; they have been given in the house before—was not compensated by the trade we got from Britain.

Then as to the fish business, I see I said that the canners wanted a specific duty because that would help them best in competition against Japan, which had an enormous advantage over us because their yen was badly depreciated. But the canners did not get a specific duty. They then asked for twenty per cent; they got ten per cent, which was not enough. And here are the results:

> In spite of the Ottawa preference Canada sold Great Britain only about one-third as much canned salmon in February, 1933, as in February, 1932. Both Russia and the United States increased their sales greatly. There must be a reason.

Then in the bulletin of the Department of Trade and Commerce, which I assume to be correct in this case, I find that in 1933 Canada was third in the imports of canned salmon into Great Britain, with 45,833 hundredweights. The United States was first with something over 161,000 hundredweights and soviet Russia was second with over 91,000 hundredweights. Two years ago Canada was first with over 80,000 hundredweights, but under these so called preferential advantages we have dropped to 45,000 hundredweights.

Now I come to a situation which particularly concerns the people whom I represent; I refer to coal. I can hardly be expected to hold up both hands in wild enthusiasm for the treaties when the coal miners whom I represent have been badly hit in connection with the import of coal. It is now possible, and in fact it has been encouraged under the treaties, to import coal from Great Britain, the mining of which has been subsidized by the British government. We cannot put on any duty or any dumping duty because of these treaties. It is brought out practically as ballast in ships coming to Vancouver to load wheat; part of it comes in free and part at a reduced rate of duty, but because of the provisions of the treaty we cannot put on a dumping duty. Another grievance in this regard is that the tariff board, which is a faint but expensive echo of a few autocratic gentlemen in the customs department, has ruled that the production of 900 tons of coal does not constitute production in Canada. Therefore they have ruled that we could not put a dumping duty on that coal brought here from Great Britain in that way. But when it suited them to do so they put a high duty on tin for the benefit of some manufacturer in eastern Canada. Our cannery men in the west cannot buy their tin from that plant because of the long rail haul; they have to get their tin either from the United States or from Great Britain by water, and consequently they have to pay the duty. An opportunity arose for some relief in that regard because a certain class of tin was not being manufactured in Canada, but the manufacturers were on the alert. They started what I was going to call a two by four factory, but it was not that big; it was a little one horse concern that could have been put in a chicken house. They turned out a few cases of these tins and that was considered to constitute production in Canada. But the production of 900 tons of coal did not constitute the production of coal in Canada. So the cannery men should not be expected to support the operation of these treaties.

Then I come to the question of wheat. I am not going into that matter in detail; men better qualified than I have dealt with it, but I must say that we appear to have made one grand mess of the wheat situation if this statement is true:

> The spread between Canadian and Argentine wheat prices has not only kept Canadian wheat and flour out of importing countries but it has been so wide that British millers import the Argentine product, mill it in Britain and in the first nine months of this year have shipped 50,425 barrels of it back to Canada for domestic consumption.

Is that not a remarkable thing, that Argentine flour milled in Britain should be imported into Canada? Possibly it is being used on our prairies, when we cannot sell our own wheat. This article also states that we imported 60,000 barrels of Australian soft wheat flour brought in via the old country. In the meantime we are losing the European market

I have another objection to these treaties. I understood that we were going to ease up on our restrictions on British goods, but we are not easing up at all. Time and again I have had retailers complain to me of the conditions under which they import goods from Great Britain. They have shown me the invoices and the customs memorandums. They never know, when they buy something from Great Britain, what the ultimate cost will be; weeks and sometimes months after the goods are sold and paid for the customs people come along and rake up some new change or ruling and the retail men have to pay up. They have no remedy. Trade will never increase under conditions like those; the British people and the Canadian buyers get disgusted.

If I might digress for a moment I should say that we have too many rulings and regulations in Canada. We are not governing here in this house; the country is governed by the men in the government offices, the customs offices and these other places, who make the rules and regulations. We are being governed by an autocratic body of officials who are not responsible to God or man. That is what we are suffering from. Someone once said "Allow me to write the poems of a nation and I care not who makes its laws." I could say, "Let me make the rules and regulations and I care not who makes the laws," because to suit myself I can make rules and regulations that are not justified in carrying out the purpose of the act, and that are practically acts by themselves.

The hon. member who introduced this resolution said, at page 356 of Hansard:

> ". . . and in another fifty years' time history will tell that the standard of living of the people in the Ukraine, Roumania, Bulgaria, will be raised by the consumption of the manufactured goods from the industrial part of Europe."

That was what someone had told him, and from that he drew the inference that these pacts would be all right. Well, fifty years is a long time hence, and I wonder if the hon. member knows that in regard to many of the articles included such as cheese, butter, milk products, poultry and so on, the treaties expire this year, and that with regard to the other commodities they expire in two years. So there is not much for the Balkans to acquire a new standard of living. Already we have got down to quotas. The British Minister of Agriculture, Mr. Elliott, has gone in for protection and, like the British people, he is doing it thoroughly. He is going to make Great Britain self sustaining agriculturally as far as possible, and he has a very good weapon to his hand. There is an enormous bonus on wheat, for example, and when he has managed to encourage the production of wheat or beef or butter, as the case may be, to the point where there is danger of a poor market, he can provide a good market by a wave of the hand. He can simply say to Canada and New Zealand, "Ship in less; put on a quota" and that will provide his market, but we will have to pay the price. The boast has been made that the Prime Minister induced Great Britain to go in for protection. If that is so I think he has a good deal to answer for, because I think it has been the curse of the Canadian agricultural producer; we are losing the best market we ever had or ever will have.

Let me give you a homely illustration of how quotas work. Last year, in the height of the depression, when I went home I told a good friend of mine that I was going to buy, and I did buy, thirty ricks of firewood from him; but I did not buy all I wanted from him; I bought ten or fifteen ricks from somebody else. It would be a suitable comparison if I went to my friend this year and said, "I am going to make a treaty with you which will be very much to your advantage. I am going to give you all my business in firewood this year; I am not going to buy from anybody else, but I am going to buy a good deal of coal and I am only going to need eight ricks of wood." Would he prefer to sell me thirty ricks in an open market, in open competition, or would he be gratified to be told that he was going to have a complete monopoly of my trade, but could sell only eight ricks? I think that is a fair illustration, even though it is a humble one.

I am not deprecating trade treaties with Great Britain. I was born there; my forebears lie there, and I am not likely to take the attitude that we should not have trade treaties with Great Britain. But I should like to do business in Mr. Baldwin's way. He sat not many feet from where I am standing now and urged that the measure of preference given to Great Britain should not be obtained by raising high tariffs against other nations but should be secured by reducing tariffs against British imports. That is what must be done if we are to get on a satisfactory basis. We want treaties not only with Great Britain but with the whole world, but as a result of these treaties we are unable to make agreements with other countries because the tariff

in the intermediate column is so high they do not want to do business with us, and we cannot give them the British preference because that is confined to Great Britain alone. Consequently we have nothing to offer, and these agreements stand in the way. I believe I speak for the province of British Columbia when I say that we want to sell our fish, lumber, copper and our coal and we want to sell it in the best market, namely the nearest market. At the same time we want to be free to deal with the whole world in exactly the same way and in the same spirit as that in which Great Britain has dealt with the world. Great Britain always has wanted and I believe always will want to deal with the whole world. That is the policy that has made Britain great, and has made the British empire the greatest in history. That policy has made Britain great and prosperous, and I believe if we follow her example we too will become great and prosperous.

Mr. W. J. LOUCKS (Rosetown): Mr. Speaker, I rise to support the motion of the hon. member for Toronto-Scarborough (Mr. Harris). Before proceeding to any further observations I may have to make I should like to deal with the remarks of the hon. member who has just taken his seat (Mr. Neill). As a farmer and probably because I am a new member in this chamber I am mystified when I hear hon. members quoting only the figures which suit themselves. That is the practice the hon. member who has just taken his seat has followed. He talked about canned salmon, and quoted the 1933 prices for that commodity. I observed, however, that he was very careful not to quote the prices for 1934. For his information I should like to give a comparison of the figures. In 1933, $1,985,000 worth of canned salmon was shipped from Canada, while in 1934, $2,600,000 worth was shipped. Why did he avoid quoting the figures for 1934?

Mr. NEILL: I did not get the 1934 figures.

Mr. LOUCKS: The hon. member was careful not to get them. I suppose if he had been referring to apples he would have avoided the 1934 figures.

Mr. NEILL: I did not quote the 1933 figures for apples.

Mr. LOUCKS: I know you didn't, because you were careful not to. There was a very decided increase.

[Mr. Neill.]

Mr. NEILL: I am not interested in apples.

Mr. LOUCKS: The hon. member just quotes what suits him. I shall give him the figures for apples, because he should be concerned about the apple growers in his province. In 1933, 1,677,000 barrels of apples were shipped, while in 1934, there were 3,057,000. In 1933, the value of the exports was $6,930,000, while in 1934 they were valued at $11,400,000. I wonder why the hon. gentleman did not mention apples.

Mr. YOUNG: What was the price per barrel each year?

Mr. LOUCKS: I shall not take time to give that.

Mr. YOUNG: No, he will not do that.

Mr. LOUCKS: My figures are sufficient in themselves; the hon. member can get more if he wants them.

When I listen to the hon. member for Winnipeg North Centre (Mr. Woodsworth) I cannot help wondering what kind of leader he would make for the farmers. He rises in his place and criticizes the government for permitting the hon. member for Toronto-Scarborough to bring in the resolution now under consideration, a resolution which makes it possible to show some of the benefits the farmers have derived from the trade treaties. It seems to me that every time the hon. member speaks—and I cannot criticize him too severely for it—his whole thought is for the unemployed. The unfortunate part is that this hon. member who leads the Co-operative Commonwealth Federation does not seem to realize the fact that if the conditions under which the farmers are operating were improved, the unemployment difficulty would vanish. There can be no contradiction of that. I could refer him to any manufacturing concern he may wish to name, and I believe he would be told the same as I am telling him. If conditions were as they should be among the farmers of Saskatchewan, that province alone could take care of 1,000,000 unemployed. The whole thought of the hon. member seems to be with the unemployed; it would seem that he has not grasped the importance of bringing the farmer to that point of prosperity where it would be possible for him to deal with the unemployment situation. Further, I believe hon. members on both sides of the house will agree that the hon. member for Winnipeg North Centre had no hesitation in ridiculing the

government and the members who support it for taking part in this debate. While listening to him I was wondering what condition would be disclosed if we were to go through the volumes of Hansard for the last four years; who has taken up the most time in the house? I believe Hansard would clearly indicate that the hon. member has taken up more time in the deliberations of this chamber than has any other hon. member.

As a farmer I should like to make two or three observations. Much has been said about bacon being shipped to Great Britain and the profits derived from that trade. In this connection I should like to quote some figures in which I believe hon. members from Saskatchewan will concur. In 1932, the average price for bacon hogs was two and a half cents per pound. What is the price to-day? I notice that in the Saskatoon yards the price is now quoted at $7.60 a hundredweight. What does that mean? In 1932 a hog weighing 200 pounds would net to the farmer $5. To-day—I am giving quotations laid down at the Saskatoon stockyards—the farmer receives $15.30 for a 200 pound hog in the Saskatoon market, making a difference of $10.30. I wonder if some hon. members opposite would come up to my constituency and try to convince the farmers that they have not derived great benefit from the empire trade treaties so far as the bacon hog is concerned. I am afraid they would have a difficult task ahead of them

I should like to give a comparison of the figures for bacon and ham. In 1933 we shipped to the United Kingdom bacon and ham valued at $3,430,000, whereas in 1934 we shipped $12,360,000 worth. I wonder if any hon. member will dispute the fact that we have derived something from the empire trade treaties; certainly no hon. member will. Any hon. member, no matter from what side of the house he comes, who would go in to the Rosetown federal constituency and try to convince the farmers that they have not derived benefits from the treaties, would have great difficulty in doing so.

A great deal has been said by hon. members opposite about wheat. In 1932 the price at my nearest station for No. 1 Northern averaged 25 cents a bushel.

Mr. YOUNG: Thirty-two cents.

Mr. LOUCKS: Not at my station. To-day what is the price? At the same station the price is 63 cents for the same grade of wheat. I think we may attribute a great deal of that increase to the fact that under the treaties we received a preference of six cents. I hold in my hand a newspaper which was printed in 1930 at the height of the election campaign. The heading reads: The Saskatchewan Issue. On the front page appears the picture of the gentleman who makes the statement appearing in the paper; I refer to the Hon. Mr. Dunning. This paper was printed on July 14, 1930, in the city of Regina and published by the Saskatchewan Liberal Association. Mr. Dunning asks the following question:

> Where and how will Saskatchewan market its wheat? The Dunning budget contains the answer.

This is what Mr. Dunning said on July 14, 1930:

> All major European markets are now closed to us as a result of prohibitive tariffs following the war.

An hon. MEMBER: Read it again.

Mr. LOUCKS: Yes, I shall.

> All major European markets are now closed to us as a result of prohibitive tariffs following the war.

When I hear hon. members from Saskatchewan who sit opposite attempting to show that this government is to blame for loss of markets in Europe, I cannot understand them. Here is something else he said:

> Only one market remains, the British market.

That is what Mr. Dunning said in July, 1930. Was he right or wrong? That is what he said when hon. gentlemen opposite were still in power. He went on:

> If we lose it, there is no other market left. Losing it, Saskatchewan farmers would be ruined.

He was right. Mr. Dunning went on to ask:

> Are we in danger of losing it?

I hope that hon. members of the opposition will get this reply of Mr. Dunning. He said:

> Yes, as 1929 proved, unless we act, and act now. How can we hope to secure and hold the British market? There is only one answer, only one way, and that is by buying goods from Britain who in turn will buy our wheat.

Mr. Dunning said that there was only one way, and that was to get a treaty with Great Britain as quickly as possible, and that our only hope was the British market. This government got that British market. The hon. member for Yorkton (Mr. McPhee) ventured to-night—he is very venturesome anyway—to use the word "humbug" in his speech, but there are not many members opposite saying much about humbug to-day so far as the present Prime Minister is concerned. True, the Prime Minister went over to England in 1930. True, the western farmer knows he

went over and said things to the British government at that time, and it is also true that there was a change of government in England after he was there. True, the Prime Minister was responsible for bringing the imperial conference to this city of Ottawa in 1932, something which had never happened before. True, it is also that he got results from that conference in the shape of the trade treaties. In other words, Mr. Speaker, he carried out at the conference just what Mr. Dunning in his famous budget was advocating.

Some hon. MEMBERS: No.

Mr. LOUCKS: Certainly he did.

Mr. SPOTTON: And that was Grit campaign literature in Saskatchewan in 1930.

Mr. LOUCKS: Yes. I do not pretend to be a debater, Mr. Speaker. I am just an ordinary farmer, but I throw out a challenge to the hon. member for Yorkton, lawyer as he is, to come up to Biggar in my constituency of Rosetown and I will debate the treaties with him on any platform—a dirt farmer against a lawyer. I will go further and say that I will entertain the hon. gentleman if he will come. I would like to coax him to come up there, and I would like to see how far he will get in debating the treaties with just an ordinary farmer in the rural constituency of Rosetown.

I am sorry the hon. member for Humboldt (Mr. Totzke) is not in his seat. He was not successful in winning his nomination. Last spring he spoke on the marketing bill in this house, and apparently he sent the Hansard report of his speech to one of his supporters, a farmer, from whom I received a letter in which he says: "I want to compliment you, Mr. Loucks, on your speech. Watch and see what will happen our member from Humboldt in the next election." Well, Mr. Speaker, he did not have to wait till the next election because the hon. member did not even get his nomination. The hon. member for Humboldt replied to me that my career would be very short as a member of parliament, but I would like to say to him that he never got to first base; he could not get the nomination. What was the reason? I am told that the Liberals in Humboldt constituency have said: Because our member has opposed the treaties and the marketing bill we cannot elect him in this constituency. That is the reason why I believe he did not get the nomination. What about the hon. member for South Battleford (Mr. Vallance)? Was he successful in getting his nomination? No, he was defeated; he could not get the nomination. I have it on very good authority that the Liberals in Kindersley were saying the same thing, that the fact that their member had opposed the marketing bill and the treaties meant that Liberals in the constituency would not support him. I think I am right in what I am saying. I got it from reliable Liberals from that part of the country.

What happened in my own constituency at the nomination meeting on the tenth of August? Why bless you, Mr. Speaker, to my surprise we had over three hundred delegates who had taken time off from harvesting to attend that meeting, and the gentleman who got up and nominated me made it clear that he had never been a Conservative. He said he liked the very attitude of Mr. Loucks when he was speaking, and he complimented me on the stand that I had taken, and said that it gave him great pleasure to get up and nominate me. He said some very flattering things about this government and myself in nominating me. It was a surprise to me because he is not a Conservative at all. This same gentleman, a lawyer in Outlook, informed me quite recently that when my campaign starts and we go on the hustings, "I am at your service, Mr. Loucks."

I wished to hold a meeting in my constituency some time before coming here for the session, and I went to see the school trustees to get permission to use the schoolhouse. My hon. friend from South Battleford must pass it every time he goes to Saskatoon. Here is what happened. I went to one of the trustees, knowing him to be a staunch Liberal, and asked him if I could have the schoolhouse. He said, "Certainly, with pleasure, so far as I am concerned. I have been a Liberal; in the last provincial election I thought I had intelligence when I voted for the Liberals, but I got gypped." He said that Mr. Gardiner and his bunch came out and said they would cancel the $10,000,000 in notes given to the federal government by western farmers, a matter which the provincial government had nothing to do with, and he said, "I have had all I want to do with the Liberal party." When I got to the meeting after advertising it, as I always do, I asked the audience to appoint a chairman, and they told me to appoint my own chairman. I said, "I will call on Mr. Weir." Mr. Weir was one of the school trustees, and they were surprised when I called on him to act as chairman because he was a staunch Liberal. But Mr. Weir came forward and said it was a pleasure to act as chairman for me on that occasion, because I had had the courage to speak in the house in defence of the marketing bill and the empire trade treaties. I wonder how many Liberals in

Saskatchewan are feeling the same way. They have not such short memories. They have not forgotten what has been taking place here in Ottawa, and they know that the Prime Minister has carried out what was the policy of Mr. Dunning, and has put it into actual practice. Mr. Dunning meant every word of that policy, and I have every respect for him. I think it is up to the members of this house who come from the west to speak in support of these treaties. The farmers all over this country know that if it had not been for the British market which we got as a result of these treaties, we would have had no market for our agricultural products, and the hon. member for Regina (Mr. Turnbull) has quoted facts and figures to prove my statement and the truth of Mr. Dunning's statement.

Sometimes I wonder whether hon. gentlemen opposite are sincere when they say they want to have this question decided by a vote. So far as I am concerned I hope they will get the opportunity because it will do me an awful lot of good in the Rosetown constituency. I am sorry the hon. member for Lisgar (Mr. Brown) is not in his seat at the moment. If my memory serves me aright it was in 1932 that the hon. member, for whom I have a great respect, got up and said that he had about fifty hogs, and he said, "I wish I had knocked them on the head." That was when they were worth 2¾ cents a pound. I think he must be glad he did not knock them on the head now that hogs are 8½ to 9 cents a pound. Yet the hon. gentleman gets up and tries to discredit the treaties, notwithstanding that they have increased the price to him on the bacon type by nearly 6 cents a pound.

Let me assure my hon. friends to your left, Mr. Speaker, that so far as I am concerned, and I think I speak for those representing this government from Saskatchewan, the people resent the attitude of the party opposite towards these treaties and the other measures that have been brought down. I wonder when I hear the leader of the opposition expressing his anxiety to get down to business why hon. members behind him should get up and discredit all that the Prime Minister indicated in his broadcast, because that is not the attitude of the leader of the opposition himself. He would like to see these measures placed on the statute books as quickly as possible; but if they have no more merit than some of his followers can see in them, then I fail to see why he should want to have them embodied in legislation.

If I had time, there are many things which I should like to say in regard to the Farmers' Creditors Arrangement Act and its operation in Saskatchewan, but I will not weary the house at the moment with a discussion of that subject. I must confine my remarks to the resolution. I want to assure members on the other side that I have fairly good reason to know the attitude of the farmers of the west, and particularly of Saskatchewan, and I think I can safely say to-night, from what has happened in the last few months, that we shall send down from our province at the next election fifteen members on this side out of the twenty-one.

Some hon. MEMBERS: Oh, oh.

Mr. LOUCKS: My hon. friends laugh, but they will remember how sure they were of the provincial election. I have it on good authority that the gentleman who has the Liberal nomination in my constituency made this statement, "If the Prime Minister places on the statute books the measures which he promised in his broadcast to carry into legislation, then I fear for my chances." It is characteristic of the people of the west not to live to the party but to live to the policy, to live to the things that give results. If my hon. friends here think that they can go to Saskatchewan and convince the people there that the Conservatives have lost all their markets, then I say to my hon. friends, "You are missing your guess, and there is no question about that."

Again I compliment the hon. member for Toronto-Scarborough on this splendid resolution, and I do not feel under any condemnation because we have spent some time indicating the beneficial results of the empire trade treaties.

Miss AGNES MACPHAIL (Southeast Grey): I wish to associate myself with the hon. member for Winnipeg North Centre (Mr. Woodsworth) in his attitude toward this resolution. I do feel that it is a very dangerous precedent for us to set. Are we going to go over legislation which is two or three years old? If so we are certainly laying out a good deal of extra work for ourselves in the future. It is a most extraordinary procedure for us to be asked now to approve of the operation of the treaties. The resolution asks us to say whether or not the operation of the trade agreements has been beneficial to Canada. I doubt very much whether anyone can answer that question. I think it is much too soon for us to know. There are a great

many factors which we cannot weigh for a considerable time yet. If the temporary gains that have been made in hog prices—and I am inclined to think that the agreements had some effect on these prices—have been at such great cost as to lead to dissatisfaction and offence almost in Great Britain, as one is led to believe from many newspapers as well as from conversations with different people, all of which would show that there is a feeling in Great Britain not only against the treaties but against Canada because of them, then it seems to me that we are paying very dearly indeed for any temporary gains. Moreover, if by the treaties we have added to the cost of those things which we purchase from Great Britain, we have possibly more than eaten up all the benefits that would accrue. If the Canadian consumer and the British manufacturer are paying dearly for the advantage given the Canadian manufacturer, then I for one cannot say that the trade pacts have worked out beneficially to this country. I think it is quite possible, and time will likely prove it to be true, that the preferential arrangement within the empire has given offence to the world at large; the reaction of other countries to the preference within the empire will result in diverting their trade to those countries that are not involved in the agreements under discussion.

To me it is amusing—it is interesting to have something amusing in this house—to hear members of the government take so much credit for the rise in farm prices. Well, there is this you can say about farm prices now as compared with the 1932 level; they could scarcely have fallen further, because had they done so they would have fallen out of sight. If they were going to move they had to rise. If the government had been as much interested in farm prices in 1932 as they now appear to be, they would have depreciated Canadian currency and made it possible for Canada to take advantage to such extent as it could of the agreements at the time they were made. We were not able to avail ourselves of the agreements until the country to the south of us had taken such action in connection with monetary matters as brought the Canadian dollar to a parity with the pound. In other words, the government of Canada waited until another country had made it possible for this dominion to take whatever advantage it could of the British market. While the hon. member for Rosetown (Mr. Loucks) was shedding tears over the price the farmers got for hogs in 1932, he ought to have been willing to assume some responsibility in the matter, because the adverse exchange from which we suffered then had a good deal to do with the prices we were receiving at that time for our hogs.

As I listened to the torrent of figures which flowed from the mouth of the Minister of Agriculture (Mr. Weir) before dinner, I was reminded of the broadcast of Colling and Colling over CFRB at 6.30, which I endure in order to hear Jim Hunter, who does much to justify the Telegram. As I listened to the figures which poured with such power from the minister's lips I could make nothing of them at all and I am sure that everybody in the house felt the same way. Possibly when one reads them in Hansard they may have meaning, but they certainly conveyed nothing to me as I heard them read. As I listened to the blasts of oratory from the hon. member for Yorkton (Mr. McPhee) I thought how very happy a position those hon. gentlemen are in; whatever their party does is right and whatever their leader does is just the thing to do. I wish I had the kind of mind that could put myself in that position. It is so happy.

There is no real assurance that the market which Canadian farm products now find in Great Britain will continue. It is well known to hon. members that the Minister for Agriculture in Great Britain, Mr. Elliott, is pursuing a policy of self sufficiency in agricultural products within that country. Whether or not he can ever achieve this is another matter, but he at any rate is trying to do so and the very moment they are able to produce within their own country those things which they require, we shall see a very rapid dropping of exports from this country to Great Britain. Therefore I feel we are building on a false premise if we believe we are going to continue to ship to either Great Britain, or, indeed to other European countries any great quantities of foodstuffs.

I believe some of the pools in Canada have approved the treaties, but if I can judge the pools from the cooperative company with which I have had something to do in Ontario, then it can be said that each pool considers the commodity which it handles, and if conditions or prices have been improved for that commodity, the pool then draws the conclusion, which is not always the correct one, that conditions have been improved for the people generally. But when we are considering a standard of living for the Canadian people—and I am thinking again of agriculture—two factors enter in, selling prices and living costs. It is true that selling prices are a great factor, but living costs are also,

so if by the trade treaties we get increased living costs, that may more than counteract any increase in prices caused by them.

In closing I want to say only one other thing and that is, in my opinion it is dubious if world trade will again reach the volume of 1929. There are possibly a number of reasons for that, but certainly one of them is that to-day every country in the world is striving for self sufficiency and the success that has been attained by European countries in growing foodstuffs shows to what a degree this ideal, if it be an ideal, can be reached. If countries are going to become more and more self sufficient, then it is unlikely for a long time at any rate that the volume of trade will be again as great as in 1929.

There is another reason why trade is not increasing and that is lack of the medium of exchange. In this country we try to sell to other countries those goods which our own people would like to buy but cannot afford, and other countries are trying to sell to us their surplus goods which their own people, if they had a higher standard of living, could use but which they again have not the money to purchase. Therefore I think the root causes of a fall in the volume of trade are these two factors: On the one hand lack of sufficient money to effect an exchange of goods, and second, a growing sufficiency of all nations due in part to invention and energy and due in part to very many years of high tariffs by almost all countries in the world.

I certainly am not going to put myself in the ridiculous position of supporting a motion which is going to make us do the work of two years over again. We started this session in the rarefied atmosphere of high endeavour for a couple of weeks. To-day we fell back very far toward the bad old days. I hope we shall not stay in this particular state of mind too long, because I feel the temper of the Canadian people will not stand too much of the sort of exhibition that we have had to-day. I am going to vote against the motion because I think it is one that should not have been moved. It is one with which the house has nothing to do at this moment, and even if I agreed with it I would still vote against it, offered as it is at this time.

Mr. F. P. QUINN (Halifax): Mr. Speaker, I should be failing in my duty if, representing the constituency of Halifax, I did not express myself while this debate was in progress, and I offer no apologies to any hon. members for doing so. I offer no apologies particularly to the hon. member for Winnipeg North Centre (Mr. Woodsworth) or to the hon. member for Southeast Grey (Miss Macphail). I draw the attention of the house to the routine proceedings and orders of the day for Thursday, February 7, which is to-day. I find there under notices of motion, No. 5, the following:

Mr. Woodsworth—The following proposed resolution:—

That, in the opinion of this house, since the capitalist system is failing to function in the interests of the great majority of the people of Canada, it should be superseded by a co-operative commonwealth.

What is sauce for the goose is surely sauce for the gander. If an hon. member who supports the government can move a resolution of confidence in his party and his government and a leader of the Cooperative Commonwealth Federation can move a resolution of confidence in his party, then I think we are about fifty fifty; we should call it square and forget that part of the discussion.

The constituency and the port of Halifax have certainly benefited by the Ottawa trade agreements; I should hate to go down to the waterfront in that city and venture an opinion to the contrary. One hon. member speaking from the opposite side of the house said to-night: "If you want to get the evidence of prosperity, put your hand in your pocket." That is quite correct; I subscribe to that. The year just closed has established a record in the shipping cargo tonnage of the port of Halifax. That is no accident; that did not just happen. I am sure that the increased volume of trade through the port of Halifax and through the ports of St. John, Montreal and Quebec during the past year has been mainly due to the operation of the empire trade agreements.

I listen to hon. gentlemen opposite talk about what they would do if their party was in power and what they did when their party was in power. You hear them shouting for wider markets and lowering of tariffs, but their attitude when in power is quite different from their policies when in opposition. We hear a good deal from hon. members on the opposite side about the expansion of trade while their party was in power. I thought I should like to look up the statistics of imports from and exports to the United States, therefore I got from the bureau of statistics the figures for two years, 1921 when the Liberal party was coming into power, and 1930 when they were going out. The figures are as follows:

Exports to the United States

Year ended—	
March 31, 1921	$542,322,967
March 31, 1930	515,049,763
Decrease	$ 27,273,204

Where is this great widening of markets and expansion of trade of which they boast? They had nine of the most prosperous years in the history of the world; they had the greatest opportunity this country ever had to develop trade with the United States, but they went back to the extent of $27,000,000 in those nine years.

Then we come to the figures for imports:

Imports from the United States

Year ended—	
March 31, 1921	$856,176,820
March 31, 1930	847,442,037
Decrease	$ 8,734,783

I think that sufficiently answers the question regarding the business developed with the country to the south of us.

If I want an opinion concerning the virtues of the Liberal party I would not go to the leader of the opposition, because I know what he would tell me. Nor would I go to the Prime Minister if I wanted to have the virtues of the Conservative party extolled; nor would I go to the hon. member for Winnipeg North Centre to learn of the merits of the Cooperative Commonwealth Federation. I would go to more disinterested authorities. On the day this resolution was introduced I received a book entitled The Story of Canada's Industrial Expansion. On the front page I see the statement:

> A remarkable record.
> Not only has there been notable progress during the past ten years, but even through recent years of depression this progress has continued in a remarkable way, giving good ground for encouragement and providing a cheerful outlook for the current year.
> Read the evidence in these articles on:
> New industries established in Canada in the past four years;

And so on. This is reprinted from Industrial Canada of January, 1935, and published by the Canadian Manufacturers' Association.

Mr. RALSTON: They are disinterested!

Mr. QUINN: The hon. member for Shelburne-Yarmouth (Mr. Ralston) surely will not say that E. A. Saunders, secretary of the Halifax board of trade, would broadcast Tory propaganda. I would say he is a disinterested gentleman.

Mr. RALSTON: I was referring to the Canadian Manufacturers' Association.

Mr. QUINN: I quote from a gentleman who is interested only in the expansion of trade, Mr. Saunders, secretary of the Halifax board of trade, not a biased politician.

> Those who consider that Nova Scotia is backward industrially, has few, if any, new industries, and is not expanding its manufacturing operations, should read this impressive record compiled by Mr. Saunders. It should be an eye opener, for it reveals the establishment of quite a number of new factories within the last few years and shows that the province by the Atlantic is making industrial progress, even in recent difficult times, as well as the rest of Canada.

I was interested in that. I take it that each of these articles would be from the pen of someone as disinterested politically as Mr. Saunders. I come to Canadian products exported to the United Kingdom, of which substantial amounts are reported. It is too late to quote figures, but I shall just run through the list of articles:

Apples, fresh
Fruits, canned
Vegetables, canned
Cereal foods
Canvas shoes, rubber soles
Boots and shoes, rubber
Cattle
Fish, fresh
Fish, preserved
Leather, unmanufactured
Bacon and hams
Meats, canned
Poultry
Wool
Wood, unmanufactured
Doors, sashes and blinds
Paperboard
Pig iron, ingots and billets
Bars and rods
Wire
Farm implements
Wire nails
Automobiles, passenger
Aluminium
Copper in ingots, bars, etc.
Nickel
Zinc spelter
Asbestos
Soap.

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

Friday, February 8, 1935

The house met at three o'clock.

INTERNATIONAL LABOUR

DRAFT CONVENTION CONCERNING SEAMEN'S ARTICLES OF AGREEMENT

Right Hon. R. B. BENNETT (Prime Minister) moved:

That it is expedient that parliament do approve of the convention concerning seamen's articles of agreement adopted as a draft convention by the general conference of the international labour organization of the League of Nations at its ninth session in Geneva on the 24th day of June, 1926, reading as follows:—

Convention Concerning Seamen's Articles of Agreement

The general conference of the international labour organization of the League of Nations,

Having been convened at Geneva by the governing body of the international labour office, and having met in its ninth session on 7 June 1926 and

Having decided upon the adoption of certain proposals with regard to seamen's articles of agreement, which is included in the first item of the agenda of the session, and

Having determined that these proposals shall take the form of a draft international convention,

adopts, this twenty-fourth day of June of the year one thousand nine hundred and twenty-six, the following draft convention for ratification by the members of the international labour organization, in accordance with the provisions of Part XIII of the treaty of Versailles and of the corresponding parts of the other treaties of peace:

Article 1.—This convention shall apply to all seagoing vessels registered in the country of any member ratifying this convention, and to the owners, masters and seamen of such vessels.

It shall not apply to:
ships of war,
government vessels not engaged in trade,
vessels engaged in the coasting trade,
pleasure yachts,
Indian country craft,
fishing vessels,
vessels of less than 100 tons gross registered tonnage or 300 cubic metres, nor to vessels engaged in the home trade below the tonnage limit prescribed by national law for the special regulation of this trade at the date of the passing of this convention.

Article 2.—For the purpose of this convention the following expressions have the meanings hereby assigned to them, viz.:

(a) The term "vessel" includes any ship or boat of any nature whatsoever, whether publicly or privately owned, ordinarily engaged in maritime navigation.

(b) The term "seaman" includes every person employed or engaged in any capacity on board any vessel and entered on the ship's articles. It excludes masters, pilots, cadets and pupils on training ships and duly indentured apprentices, naval ratings, and other persons in the permanent service of a government.

(c) The term "master" includes every person having command and charge of a vessel except pilots.

(d) The term "home trade vessel" means a vessel engaged in trade between a country and the ports of a neighbouring country within geographical limits determined by the national law.

Article 3.—Articles of agreement shall be signed both by the shipowner or his representative and by the seaman. Reasonable facilities to examine the articles of agreement before they are signed shall be given to the seaman and also to his adviser.

The seaman shall sign the agreement under conditions which shall be prescribed by national law in order to ensure adequate supervision by the competent public authority.

The foregoing provisions shall be deemed to have been fulfilled if the competent authority certifies that the provisions of the agreement have been laid before it in writing and have been confirmed both by the shipowner or his representative and by the seaman.

National law shall make adequate provision to ensure that the seaman has understood the agreement.

The agreement shall not contain anything which is contrary to the provisions of national law or of this convention.

National law shall prescribe such further formalities and safeguards in respect of the completion of the agreement as may be considered necessary for the protection of the interests of the shipowner and of the seaman.

Article 4.—Adequate measures shall be taken in accordance with national law for ensuring that the agreement shall not contain any stipulation by which the parties purport to contract in advance to depart from the ordinary rules as to jurisdiction over the agreement.

This article shall not be interpreted as excluding a reference to arbitration.

Article 5.—Every seaman shall be given a document containing a record of his employment on board the vessel. The form of the document, the particulars to be recorded and the manner in which such particulars are to be entered in it shall be determined by national law.

The document shall not contain any statement as to the quality of the seaman's work or as to his wages.

Article 6.—The agreement may be made either for a definite period or for a voyage or, if permitted by national law, for an indefinite period.

The agreement shall state clearly the respective rights and obligations of each of the parties.

It shall in all cases contain the following particulars:

(1) The surname and other names of the seaman, the date of his birth or his age, and his birthplace:

(2) The place at which and date on which the agreement was completed;

(3) The name of the vessel or vessels on board which the seaman undertakes to serve;

(4) The number of the crew of the vessel, if required by national law;

(5) The voyage or voyages to be undertaken, if this can be determined at the time of making the agreement;

(6) The capacity in which the seaman is to be employed;

(7) If possible, the place and date at which the seaman is required to report on board for service;

(8) The scale of provisions to be supplied to the seaman, unless some alternative system is provided for by national law;

(9) The amount of his wages;

(10) The determination of the agreement and the conditions thereof, that is to say:

(a) if the agreement has been made for a definite period, the date fixed for its expiry;

(b) if the agreement has been made for a voyage, the port of destination and the time which has to expire after arrival before the seaman shall be discharged;

(c) if the agreement has been made for an indefinite period, the conditions which shall entitle either party to rescind it, as well as the required period of notice for rescission, provided that such period shall not be less for the ship owner than for the seaman;

(11) The annual leave with pay granted to the seaman after one year's service with the same shipping company, if such leave is provided for by national law;

(12) Any other particulars which national law may require.

Article 7—If national law provides that a list of crew shall be carried on board it shall specify that the agreement shall either be recorded in or annexed to the list of crew.

Article 8—In order that the seaman may satisfy himself as to the nature and extent of his rights and obligations, national law shall lay down the measures to be taken to enable clear information to be obtained on board as to the conditions of employment, either by posting the conditions of the agreement in a place easily accessible from the crew's quarters, or by some other appropriate means.

Article 9—An agreement for an indefinite period may be terminated by either party in any port where the vessel loads or unloads, provided that the notice specified in the agreement shall have been given, which shall not be less than twenty-four hours.

Notice shall be given in writing; national law shall provide such manner of giving notice as is best calculated to preclude any subsequent dispute between the parties on this point.

[Mr. Bennett.]

National law shall determine the exceptional circumstances in which notice even when duly given shall not terminate the agreement.

Article 10.—An agreement entered into for a voyage, for a definite period, or for an indefinite period shall be duly terminated by:

(a) mutual consent of the parties;

(b) death of the seaman;

(c) loss or total unseaworthiness of the vessel;

(d) any other cause that may be provided in national law or in this convention.

Article 11.—National law shall determine the circumstances in which the owner or master may immediately discharge a seaman.

Article 12.—National law shall also determine the circumstances in which the seaman may demand his immediate discharge.

Article 13.—If the seaman shows to the satisfaction of the shipowner or his agent that he can obtain command of a vessel or an appointment as mate or engineer or to any other post of a higher grade than he actually holds, or that any other circumstance has arisen since his engagement which renders it essential to his interests that he should be permitted to take his discharge, he may claim his discharge, provided that without increased expense to the shipowner and to the satisfaction of the shipowner or his agent he furnishes a competent and reliable man in his place.

In such case, the seaman shall be entitled to his wages up to the time of his leaving his employment.

Article 14.—Whatever the reason for the termination or rescission of the agreement, an entry shall be made in the document issued to the seaman in accordance with Article 5 and in the list of crew showing that he has been discharged, and such entry shall, at the request of either party, be endorsed by the competent public authority.

The seaman shall at all times have the right, in addition to the record mentioned in Article 5, to obtain from the master a separate certificate as to the quality of his work or, failing that, a certificate indicating whether he has fully discharged his obligations under the agreement.

Article 15.—National law shall provide the measures to ensure compliance with the terms of the present convention.

Article 16.—The formal ratifications of this convention under the conditions set forth in Part XIII of the treaty of Versailles and in the corresponding parts of the other treaties of peace shall be communicated to the secretary-general of the League of Nations for registration.

Article 17.—This convention shall come into force at the date on which the ratifications of two members of the international labour organization have been registered by the secretary-general.

It shall be binding only upon those members whose ratifications have been registered with the secretariat.

Thereafter, the convention shall come into force for any member at the date on which its ratification has been registered with the secretariat.

Article 18.—As soon as the ratification of two members of the international labour organization have been registered with the secretariat, the secretary general of the League of Nations shall so notify all the members of the international labour organization. He shall likewise notify them of the registration of ratifications which may be communicated subsequently by other members of the organization.

Article 19.—Subject to the provisions of Article 17, each member which ratifies this convention agrees to bring the provisions of articles 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14 and 15 into operation not later than 1 January, 1928, and to take such action as may be necessary to make these provisions effective.

Article 20.—Each member of the international labour organization which ratifies this convention engages to apply it to its colonies, possessions and protectorates, in accordance with the provisions of Article 421 of the treaty of Versailles and of the corresponding articles of the other treaties of peace.

Article 21.—A member which has ratified this convention may denounce it after the expiration of ten years from the date on which the convention first comes into force, by an act communicated to the secretary-general of the League of Nations for registration. Such denunciation shall not take effect until one year after the date on which it is registered with the secretariat.

Article 22.—At least once in ten years, the governing body of the international labour office shall present to the general conference a report on the working of this convention and shall consider the desirability of placing on the agenda of the conference the question of its revision or modification.

Article 23.—The French and English texts of this convention shall both be authentic.

and that this house do approve of the same.

He said: Mr. Speaker, I do not know whether or not any hon. members desire to discuss this particular resolution. There are some they would desire to discuss, but if there is to be no general discussion on this one I will limit my observations with respect to it. This draft convention was adopted on June 24, 1926, at a meeting of the international labour organization, and has since been ratified on the dates I shall mention and registered at the registry office at Geneva by the labour organization's registrar. The following are the dates of ratification:

Belgium, October 3, 1927.
Great Britain and Northern Ireland, June 14, 1929.
Bulgaria, November 29, 1929.
Colombia, June 20, 1933.
Cuba, July 7, 1928.
Estonia, May 10, 1929.
France, April 4, 1928.
Germany, September 20, 1930.
India, October 31, 1932.
Irish Free State, July 5, 1930.
Italy, October 10, 1929.
Luxemburg, April 16, 1928.
Mexico, May 12, 1934.
Nicaragua, April 12, 1934.
Poland, August 8, 1931.
Spain, February 23, 1931.
Uruguay, June 6, 1933.
Yugoslavia, September 30, 1929.

Broadly and generally, in our Shipping Act we have made provision for carrying into effect the main provisions recommended by the conference. It may possibly be desirable for me to say that Canada has not a very good record with regard to the ratification of draft conventions which have been adopted at Geneva. Up to January, 1935, the record was a rather unfortunate one, so far as we are concerned. The following list will indicate the number of conventions which have been ratified by the different countries:

Country—	Number ratified
Albania	4
Argentine	9
Australia	5
Austria	13
Belgium	23
Bolivia	0
Brazil	4
Bulgaria	27
Canada	4
Chile	19
China	5
Colombia	24
Cuba	17
Czechoslovakia	13
Denmark	11
Dominican Republic	4
Estonia	19
Finland	13
France	18
Germany	17
Great Britain	18
Greece	13
Hungary	15
India	13
Irish Free State	21
Italy	21
Japan	12
Latvia	17
Liberia	1
Lithuania	7
Luxemburg	27
Mexico	9
The Netherlands	15
New Zealand	0
Nicaragua	30
Norway	11
Paraguay	0
Persia	0
Poland	17
Portugal	8
Roumania	17
South Africa	5
Spain	32
Sweden	16
Switzerland	7
Turkey	0
Uruguay	30
Venezuela	4
Yugoslavia	21

I place this on record not in any spirit of criticism but rather to indicate that we have not taken as prompt action as some of the

other countries of the world. It is highly desirable that we should ratify these convention agreements. The treaty of peace makes certain provisions to which, in connection with the discussion on one other convention, I shall refer this afternoon. The international labour organization which came into being under the treaty has adopted a number of draft conventions of which, as I have said, we have adopted a limited number.

But apart altogether from our moral obligation under the treaty to ratify these conventions, I think it is in the interests of this country that we should do so, having regard to the necessity of maintaining and improving the standards of work and of living in the other countries of the world, especially the industrial countries with which we compete. We have sometimes complained of unfair competition and of conditions of living and labour in other countries, but failure on our part to ratify certain conventions that have been made has had the effect of creating a rather unfavourable opinion amongst other countries that have adopted them. They have contended that they were led into believing that, when we accepted them at the conference, where we were always represented, they would be put into effect, and sometimes it has been difficult to explain to them that a federal confederation has divided jurisdiction as between provincial legislatures and the federal parliament. But undoubtedly the acceptance of as many of these conventions as possible will have the effect of removing causes of friction and ill-will, and will improve economic international relations. We believe that the best way in which to bring about a better understanding between Canada and the other countries of the world is, so far as it may be possible within our power, to ratify arrangements that have been made by the common consent of countries that have been represented at international labour conventions; and the standards that have been adopted in the convention are standards that will thereby have international application and, in my judgment at least, have a most beneficial effect upon the relations between the several countries of the world and our own. As a matter of fact, most of these conventions represent but minimum requirements, and there are many countries that maintain higher standards than those provided for in the conventions themselves.

The convention to which I now ask the house to give its assent is one concerning seamen's articles of agreement with respect to which, as I have said, the essential legal requirements are embodied in the Merchant Shipping Act which we passed last session. I think there is nothing further I need say with respect to this particular convention, and the only reason that I am asking ratification now is that it has been adopted by so many other countries and is in fact embodied so far as the legal requirements are concerned in our Merchant Shipping Act.

Right Hon. W. L. MACKENZIE KING (Leader of the Opposition): Mr. Speaker, I rise not to take any exception to approving the convention which appears under government notices of motion, but rather to point out that what we are in fact being asked to do is more or less purely formal in its nature.

The Prime Minister (Mr. Bennett) himself has already intimated that the substance of this particular convention has been enacted into law by this House of Commons and that it appears as part of a statute which is already upon the books of this country. That being the case, it seems to me that we add nothing and subtract nothing from what we have already done, by a formal approval of the convention, unless it be a matter of some general conformity with methods adopted in some other countries.

The particular convention relates to seamen's articles of agreement, and if I am not mistaken those articles of agreement appear as part of the act respecting shipping which was assented to last year. Therefore this house is simply being asked to do again what it has already done. We had an example of that kind of thing all day yesterday when the house spent the entire day debating a resolution proposed by the honourable member for Toronto-Scarborough (Mr. Harris) approving of some of the trade agreements legislation which parliament had already enacted at the government's initiative. Here we are again being asked to approve other legislation which is already on the statute books, and I think it will be found with respect to the next two conventions that we shall be asked to approve that the same is true, that they also form part of the act respecting shipping which was passed as part of a consolidation, as honourable members will recall, at the end of last session.

What I do not understand is why, if we are to approve one or two or three or four or five of these draft conventions, of the international labour organization of the League of Nations, we should not approve all of them. Why single out these two or three especially for approval? It would be well I think to have placed on the record the different conventions that have been passed by the international labour conference and which have

been communicated to the government; Then when parliament has before it a statement of all of the conventions we may later on discover the reason why some call for formal approval and others not. May I, however, before placing this list on the record say that I cannot agree with the statement the Prime Minister made this afternoon to the effect that Canada's record has been bad in the matter of our action with respect to these various conventions.

Mr. BENNETT: Ratifications.

Mr. MACKENZIE KING: The Prime Minister uses the word ratification. I do not wish to take exception to the use of the word ratification, but I am inclined to think the word "approval" would be the more correct one to use with respect to these conventions.

Mr. BENNETT: I was quoting from the language of the League of Nations itself—the process of ratification.

Mr. MACKENZIE KING: I was quoting from the Prime Minister's resolution, which asks us to approve, which is I think more to the point. However, the Prime Minister a day or two ago meeting the representatives of the Trades and Labour Congress said, as reported in the evening press of February 6:

> On the matter of ratifying international conventions adopted at Geneva, Mr. Bennett admitted Canada's record had been bad. However, five such conventions were down for ratification at the present session of parliament.

Anyone reading that statement would be inclined to think that this parliament had been remiss in its duty in the past in the matter of ratification, and that Canada had not been taking a place either as high or as effective as that taken by other countries. Now the direct opposite is the case, as the Prime Minister well knows. The Prime Minister has read us a list of the countries that have ratified this particular convention. I did not get the names of all of them but I took down a few—Albania, Argentina, Austria, Brazil, Bulgaria, Czechoslovakia, Colombia, Latvia, Esthonia, Hungary, and there were several others that will appear in Hansard. The reason that these particular countries have made it a matter of special concern to ratify is that in most cases they have not already had on their statutes the legislation that is being asked for by the convention.

Mr. DUFF: And they relate more particularly to shipping.

Mr. MACKENZIE KING: Yes, and as my hon. friend from Antigonish-Guysborough (Mr. Duff) reminds me, as regards this particular convention they relate more particularly to shipping.

As the Prime Minister has said, the conventions for the most part represent the minimum requirements. As a matter of fact, Canada is one of the first countries of the world in her labour standards and her labour legislation; and it is because Canada has been able to send word to the labour office at Geneva that she had already enacted most of the measures asked for by these conventions that it has not been necessary to come before this parliament and ask for any approval of them. Instead of our record being bad, it has been so exceptional that it is beyond all challenge.

However, with respect to the procedure, if there has been any laxity of procedure, may I say that what was expected of this parliament with regard to the approval of these various conventions has consistently followed what was stated at some considerable length by the Minister of Justice of the day to be the intended practice when parliament had before it the first series of conventions that we were asked to approve. They were conventions that were drawn up at the labour conference in Washington in 1919, and there were several of them. It was important, it being the first time that parliament was called upon to deal with these conventions, that a careful statement should be made by the ministry as to the proper course of procedure. It so happened that a Conservative administration was in office at the time, the administration of the Right Hon. Arthur Meighen, and the Right Hon. C. J. Doherty was then Minister of Justice. Mr. Doherty not only explained very fully to this house what was expected of it in the matter of the approval of these various conventions, but he read to the house and placed on the record an order in council which outlined exactly the procedure to be taken and what was expected of this government and of the provincial governments. May I read from that order in council. It is a report that was confirmed on November 6, 1920, it reads:

> The provisions of the labour part of the treaty of Versailles do not impose any obligation on the Dominion of Canada to enact into law the different draft conventions or recommendations which may from time to time be adopted by the conference. The obligation as set forth is simply in the nature of an undertaking on the part of each member within the period of one year at most from the closing of the session of the conference or, if it is impossible owing to exceptional circumstances to do so, within the period of one year, then at the earliest practicable moment, and in any case not later than eighteen months from the closing

of the conference "to bring the recommendations or draft conventions before the authority or authorities within whose competence the matter lies for the enactment of legislation or other action", the treaty engagement being of this character it is not such as to justify legislation on the part of parliament under the authority of section 132 of the British North America Act, 1867, to give effect to any of the proposals of the said draft conventions and recommendations, which must be held, as between the dominion and the provinces to be within the legislative competence of the latter. The government's obligation will, in the opinion of the minister, be fully carried out if the different conventions and recommendations are brought before the competent authority, dominion or provincial, accordingly as it may appear, having regard to the scope and objects, the true nature and character of the legislation required to give effect to the proposals of the conventions and recommendations respectively, that they fall within the legislative competence of the one or other.

That is the statement made by the Minister of Justice of the day, embodied in an order in council, which order in council still remains and has not been changed. It sets forth the procedure to be followed, and every government up to the present has followed it. If any mistake has been made it has been a mistake of the minister of the day, but I do not think there has been any mistake. I think the then Minister of Justice gave a true interpretation, and it will be recalled that the minister himself attended some of the conferences held with respect to these matters. Not only that however; the Supreme Court of Canada was asked as to the obligation of this parliament with respect to these matters and gave a very definite opinion on the subject. I will not discuss these legal questions; so far as this side of the house is concerned, I will leave that to the ex-Minister of Justice, the hon. member for Quebec East (Mr. Lapointe). In passing however I should like to quote two paragraphs from the direct answer given by the supreme court to a specific question directed by the government to the court as to the obligation and duty of this parliament with respect to these various conventions.

Mr. BENNETT: Not all of them.

Mr. MACKENZIE KING: And may I point out that the opinion given by the supreme court was a unanimous opinion. One of the questions submitted to the supreme court in the above mentioned reference was as follows:

What is the nature of the obligation of the Dominion of Canada as a member of the international labour conference, under the provisions of the labour part (part XIII) of the treaty of Versailles and of the corresponding provisions of the other treaties of peace with relation to such draft conventions and recommendations as may be from time to time adopted by the said conference under the authority of and pursuant to the aforesaid provisions?

The reply of the supreme court thereto was:

The obligation is simply in the nature of an undertaking to bring the recommendation or draft convention before the authority or authorities within whose competence the matter lies, for the enactment of legislation or other action.

The Prime Minister says not all of them, but that question and the answer covered all. So that there can be no doubt in the world as to the truth of the situation and the clarity of it.

May I say that with respect to all these conventions—I can speak only so far as the previous Liberal administration was concerned, though I think the same has been true of the government of my right hon. friend—the requirements as set forth by the then Minister of Justice and as indicated by the supreme court have been wholly and completely complied with. The procedure has been this. The conventions are communicated by the labour office in Geneva to the government of Canada, to the Secretary of State, I presume, or if sent to the governor general's office, are transferred to the privy council. At any rate, they go immediately to the Department of Justice and the Department of Justice examines the convention and decides to which legislative body having competent jurisdiction it should be transferred. If it is within the legislative competence of parliament to deal with the matter, then the convention is transferred to the minister of the department immediately concerned, and by that minister or some other minister the matter is brought before parliament. Let me say at once with respect to all these conventions that they have been brought before parliament. They have been tabled, usually about the opening of parliament, and in a number of instances where their requirements have not already been met legislation has been enacted with respect to them. If on the other hand the Department of Justice maintains that they come within the legislative competence of the provincial governments, then the conventions are sent by the Secretary of State to the lieutenant governors of the provinces to be placed before the governments and legislatures of the provinces for action with respect thereto. That has been the practice that has been followed, and I do not think there have been any exceptions to it; I think it has been followed in all detail and completeness.

I do not know that there is any necessity for me to say much more. I think it would be unfortunate if the impression went abroad that this country had been in any way behind other countries in adhering to labour conventions when as a matter of fact we have adopted to the full the procedure required and have gone far beyond most countries in the legislation which is already on the books.

To make clear what I have just said, I would point out, by way of illustration, with regard to one of the recommendations withdrawn the other day from the order paper, which the Prime Minister said had been placed upon the order paper by mistake, that as a matter of fact there was no necessity for it because this parliament had already enacted the legislation to which it refers, just as it has already enacted legislation with respect to the convention that is before us at the moment. This was the recommendation concerning the application of the Berne convention of 1906 on the prohibition of the use of white phosphorus in the manufacture of matches. I recall representing Canada at a meeting of the international labour office at Geneva before the League of Nations was ever established, at which time the question came up of the use of white phosphorus in the making of matches, and which occasions the disease called phosphorus necrosis, a horrible and hideous disease. A convention was drawn up at the time asking the different nations to take action to substitute a process which would do away with the use of white phosphorus and its prejudicial effects. A formula with respect to a substance called I think, sesqui sulphide was given to the world to be used as a substitute for white phosphorus. As Minister of Labour in 1910-11 I brought that question before the House of Commons and discussed it very fully. Hon. members will find on the records of parliament a very full statement of the nature of that particular disease. I introduced a bill into the house to put an end to the use of white phosphorus in the manufacture of matches; that bill passed this house, it was in I think 1911, but the election on the reciprocity issue came on unexpectedly and the course of the bill through parliament was not completed when dissolution occurred. A later government, however, that of Sir Robert Borden, with the late Mr. Crothers as Minister of Labour, introduced the bill and it was passed by both houses and became law. Indeed, it was law before ever the League of Nations was established. So far as adding anything to what has already been done is concerned, we might as well be called upon to approve that particular law to-day as to approve what we are being asked to approve by this convention. Both are already on the statute books; the purpose has been fulfilled. What Canada did when, for example, she was asked as she was about this very matter to which I have referred, that of white phosphorus, was to reply to Geneva that we already had and had had for years upon the statute books a law which covered the recommendation. What would have been the sense of asking parliament to ratify a convention on that particular subject when we already had it on the statutes? I mention that because I take strong exception to the statement of the Prime Minister that we have been behind in any particular in fulfilling the obligations into which Canada has entered as one of the members of the League of Nations, especially with respect to labour conventions. We have been ahead most of the time.

If we have not been asked to ratify many of those conventions it is because, up to the present at least, it has been determined by the legal decisions and opinions that have been given not only by the law officers of the crown but by the Supreme Court of Canada that it was not within the legislative competence of this parliament to legislate on certain of those matters. I hope we shall not be asked to approve conventions that relate to subjects with regard to which we have no legislative jurisdiction, but that is something which apparently we shall have to consider. If I understand aright that it is the view of the Prime Minister that this parliament can deal with practically all of these matters, then we have a pretty big order ahead of us. In this connection I should like to place on record the various conventions which we should then be asked to ratify. This is assuming now that the federal government hereafter is going to be called upon to deal with all these matters of labour standards. The different conventions are as follows:

At the first session at Washington in 1919: hours of work. We are to be asked this afternoon to approve that convention. Why are we not asked to approve the others that were passed at the same convention?—unemployment; childbirth; night work (women); minimum age (industry); night work (young persons). These were all passed at the same convention as the one which is coming before us a little later to-day.

Mr. BENNETT: The subject of white phosphorous was also discussed at Washington.

Mr. MACKENZIE KING: I am glad my right honourable friend reminded me of that, but it is not down here as a convention. At the second session at Genoa in 1920 the following conventions were passed: minimum age (sea); unemployment; indemnity (shipwreck); placing of seamen.

These are all matters that come within federal jurisdiction I think, and I imagine it will be found that they have been included in previous enactments of this parliament. Therefore there is no more necessity for asking parliament to approve those particular conventions than for asking it to approve over again the trade agreements as we have been asked to do on a private member's motion.

We come to the third session at Geneva, 1921. There was one convention with respect to minimum age (agriculture); one with respect to right of association (agriculture); one with respect to workmen's compensation (agriculture); one with respect to white lead (painting) and one with respect to weekly rest (industry). We are going to be asked to approve a convention with respect to weekly rest a little later. Why are we not asked to approve the conventions with respect to these other matters that relate to agriculture where they come within the jurisdiction of this parliament? They have all been considered. The Justice department has carefully considered the question of the particular legislative body to which they should be referred and departments of the federal government have considered those that relate to federal affairs. Why single out the convention with respect to weekly rest in industry and then omit the one that precedes and the others that follow, which are: minimum age with respect to trimmers and stokers, and medical examination of young persons at sea? I think I can explain why we are not being asked to approve these last two. They were approved by this parliament several years ago. My impression is that those particular conventions go back ten or fifteen years and that they were approved and were embodied in some legislation passed with respect to shipping at that time on a revision of the Shipping Act.

Now we come to the seventh session at Geneva in 1925 at which were passed conventions with respect to workmen's compensation (accidents); workmen's compensation (occupational diseases); equality of treatment (accident compensation); night work (bakeries).

Then the eighth session at Geneva, 1926: inspection of emigrants.

Then the ninth session at Geneva, 1926: seamen's articles of agreement; repatriation of seamen.

Then the tenth session at Geneva, 1927: sickness insurance (industry, etcetera); sickness insurance (agriculture).

Then the eleventh session at Geneva, 1928: minimum wage fixing machinery.

Then the twelfth session at Geneva, 1929: marking of weight (packages transported by vessels); protection against accidents (dockers).

Those are the other two we are to be asked to approve this afternoon. Why are they singled out of the lot? We have already enacted those that relate to the merchants shipping bill which was passed at the last session. We are now being asked formally to approve something that has already been done, but nothing is said about all these other subjects.

Then the fourteenth session at Geneva in 1930: forced labour; hours of work (commerce and offices).

Then the fifteenth session at Geneva, 1931: hours of work (coal mines).

I was going to say that later in the session we may be asked to approve these, but if so, let us have them before us as soon as possible and let them not be kept back until the very end of the session.

Then the sixteenth session at Geneva in 1932: protecting against accidents (dockers) (revised); minimum age (non-industrial employment).

Then the seventeenth session at Geneva, 1933: fee-charging employment agencies; old age insurance (industry, etcetera); old age insurance (agriculture); invalidity insurance (industry, etcetera); invalidity insurance (agriculture); survivors' insurance (industry, etcetera); survivors' insurance (agriculture).

I see that the Prime Minister has given notice of bills that he is bringing in next week with regard to the eight-hour day and weekly rest. Evidently he is going to base these bills on what is in the convention with respect to those particular matters. But he has already introduced—and we were told we would have the second reading of it this afternoon—a bill with respect to unemployment insurance which relates to other forms of social insurance. Why have we not been asked similarly to approve those particular conventions before taking up the bill that may or may not be based upon them?

I come now to the eighteenth session at Geneva in 1934: night work (women) (revised), workmen's compensation (occupational diseases) (revised), sheet glass works, unemployment provision.

Those are the conventions, but there are also recommendations. It is important to notice that the construction that the league itself has placed upon conventions that come to a federated state is that a federated state is in a different position from what is termed a unitary state. As far as a federated state is concerned the office of the League of Nations itself has decided that the conventions shall be to a federated state in the nature of recommendations, recommendations which shall be passed on to the competent legislative authority, and there the obligation with respect to these particular conventions and recommendations ends as far as concerns fulfilling the requirements of the treaty.

Let me come then to the recommendations; it will explain why I omitted the one the Prime Minister referred to a moment ago, because it comes under recommendations. The first session at Washington, 1919, dealt with unemployment, reciprocity of treatment, anthrax prevention, lead poisoning, (women and children); labour inspection (health services); white phosphorous.

Second session (Genoa, 1920); hours of work (fishing); hours of work (inland navigation); national seamen's codes; unemployment insurance (seamen).

Third session (Geneva, 1921); unemployment (agriculture), child birth (agriculture), night work of women (agriculture), night work of children and young persons (agriculture), vocational education (agriculture), living-in conditions (agriculture), social insurance (agriculture), weekly rest (commerce).

There is an interesting thing. In that particular list we have two subjects mentioned, vocational education, and weekly rest. We are going to be asked to approve a convention relating to weekly rest, but we have never been asked to approve a convention regarding vocational education. Yet as the Minister of Justice (Mr. Guthrie) well knows, four sessions ago he introduced in this parliament a bill with respect to vocational education which passed both houses and is now law. We pointed out at the time that what was necessary with respect to all social legislation was to have the money available whereby it could be put into force. I told the minister at the time that I thought he would be wise to find out first where he was to get the money, and afterwards pass the bill. But after the bill was passed the Department of Labour notified the provincial government that because they had not any money, they were sorry the government could not put it into force, that money was required for other purposes, and that therefore this vocational education measure would have to remain on the statutes a dead letter. It is on the statutes now; it has been passed by this parliament but it is a dead letter. I wonder why this government do not ask us to approve the convention under which reference was particularly made to vocational education, especially when at the same session there was a convention passed relating to weekly rest.

Now we come to the fourth session, (Geneva; 1922): migration statistics.

Fifth session, (Geneva, 1923): labour inspection.

Sixth session, (Geneva, 1924): utilization of spare time.

Seventh session, (Geneva, 1925), workmen's compensation (minimum scale); workmen's compensation (jurisdiction); workmen's compensation (occupational diseases); equality of treatment (accident compensation).

Eighth session, (Geneva, 1926), migration, (protection of females at sea).

Ninth session, (Geneva, 1926), repatriation, (ship masters and apprentices); labour inspection, (seaman).

Tenth session, (Geneva, 1927), sickness insurance.

Eleventh session, (Geneva, 1928), minimum wage-fixing machinery.

Twelfth session, (Geneva, 1929), prevention of industrial accidents; power-driven machinery; protection against accidents, (dockers) reciprocity; protection against accidents, (dockers) consultation of organizations.

Fourteenth session, (Geneva, 1930), forced labour (indirect compulsion); forced labour (regulation); hours of work (hotels, etcetera); hours of work (theatres, etcetera); hours of work, (hospitals, etcetera).

Sixteenth session, (Geneva, 1932), protection against accidents (dockers) reciprocity; minimum age, (non-industrial employment).

Seventeenth session, (Geneva, 1933), employment agencies; invalidity, old age and survivors' insurance.

Eighteenth session, (Geneva, 1934), unemployment provision.

Ordinarily I would apologize to the house for taking time to read through that complete record, but I think it is all important that this country should understand why some conventions have not been formally approved, and why at this moment the country is being asked to approve five out of that total of nearly one hundred, all of which are quite as important, and most of which are more important than at least three of the number we are being asked to approve this afternoon. I think it is only right that not only this country but

countries throughout the world should know that what has taken place is that when these various conventions have been sent, on the advice of the law officers of the crown, to the lieutenant governors of the different provinces, in most cases it was possible for the provinces to send word to the labour office of the League of Nations that already their requirements have been embodied in legislation which in some cases is far in advance of what is required by the conventions; and there has been no necessity for asking any formal approval. The same thing has been equally true with regard to the legislation enacted by this parliament with respect to many of these matters; the subjects referred to had been anticipated by parliament and were already upon the statutes.

In conclusion let me say that the desirability of having conventions of this kind as widely known and as generally applied as may be possible is perfectly obvious. The whole purpose of the labour office has been to try to bring about some uniformity of standards between the different countries of the world in the matter of labour legislation, realizing that unless that be done those countries which are highest in their standards will be undermined by countries having lower standards. Canada is fortunately in the position that her standards are high; not as high as they should be, and far from what we hope they will be, but nevertheless relatively and comparatively much better than those of many other countries.

Mr. HUMPHREY MITCHELL (East Hamilton): Mr. Speaker, I have listened with interest to the remarks of the Prime Minister (Mr. Bennett), and of the leader of the opposition (Mr. Mackenzie King) with reference to what in my judgment is one of the most important questions that has come before this parliament since confederation. I am fully conversant with the constitution and policies of the international labour office under the jurisdiction of the League of Nations. I think those interested understand generally that the conventions of the league are not mandatory, but merely sent out to the respective governments for their endorsement and to guide them in setting in motion their policies. I believe that when the history of the league is written the international labour office will stand out in bold relief from any other department of the league in its power for good, in raising the general social status of the working people of every country in the world.

The leader of the opposition quite rightly said that the tendency or driving force is to raise the living conditions and standards of those countries which are much below our own; those countries in the east, and the eastern part of Europe, which have a tendency to lower the general standards.

But what I am most concerned about is action. The leader of the opposition has said that these conventions have come before this House of Commons before. But to-day, as I understand it, this house is being asked to advance them to a position of realization, of practical application. After all, that is the most important thing. You can bring them before the provincial legislatures and nothing be done. But as I understand it to-day the convention, for instance, in connection with hours of labour—in my judgment it does not go far enough, but that is beside the point—but it can be truthfully said that if the convention is adopted this dominion will be giving leadership to the rest of the British commonwealth, because no British government up to the moment, irrespective of party, has ratified the convention of 1919 with reference to the eight hour day. I think that is a statement of fact, so I welcome the policy of this government.

I am also in agreement to some extent with the position taken by the leader of the opposition, that possibly we have not taken sufficient interest in the league so far as the ratification of these conventions is concerned, but I think it is a fair observation to say that the attitude being taken by the parliament of this country in connection with what I consider to be these very important conventions will give leadership to the world, strengthen the position of the league and add to the influence of the international labour office in its efforts to crystallize world opinion in regard to practices affecting the workers both in industry and in agriculture in the various countries. I think in the broadest sense this is a move forward which will help improve the status of the workers, not only in this dominion but also in all the other countries of the commonwealth and, in turn, all the countries of the world.

I am not particularly interested in the legal aspect of the matter. I am not unmindful of its potentiality, but I welcome this evidence that this parliament is endeavouring to meet the needs expressed in these conventions, where those needs are predominantly of a national character, through the instrumentality of this House of Commons. I think it most important that we have some centralization of policy in connection with hours of labour, one day's rest in seven and so on, and that is why I take this attitude. I am willing to take the chance of people using the courts to throw sand in the machinery, because

I think a great step forward has been taken to meet the very pressing problems of the present day in connection with industry and agriculture, in the fact that this parliament has set in motion policies, backed by the conventions of the League of Nations through the international labour office, that will make it possible to take national action on questions that we know in our souls demand such national action. That is why I say that when the history of this dominion is written, if it is proved conclusively that these very important matters come within the purview of this House of Commons it will stand out in bold relief, whether we like it or not. I have made some study of this question; I have made these few remarks extemporaneously after listening to the Prime Minister and the leader of the opposition, but I think this action will prove conclusively to the world in general the deep interest taken by the people of this country in the League of Nations and the international labour office which, after all is said and done, was brought into being under the leadership of Sir Robert Borden and others of this dominion. I think Sir Robert Borden's name will go down in history for the part he played in connection with the treaty of Versailles, which set that machinery in motion. In these days, when the policies of the league are sometimes held up to ridicule, I think it well that this House of Commons should give recognition to the influence for good that is possessed by the league, by the adoption of these measures.

Hon. HUGH GUTHRIE (Minister of Justice): Mr. Speaker, I desire to offer just a word with regard to some of the observations of my right hon. friend the leader of the opposition (Mr. Mackenzie King) in reference to the real purpose of the resolution now under discussion. My right hon. friend seemed to be in doubt as to whether a resolution for approval of a convention was the same thing as the ratification of a convention. The resolution is for the approval of a certain draft convention submitted to this country under the authority of the League of Nations, or the labour branch of that august body. What is sought by this resolution is the approval by this house of that draft convention. Ratification is another thing altogether; ratification of a convention is the formal act, the final act, and I believe it consists in the signing of the convention or treaty either by the sovereign or by someone deputed by the sovereign for that purpose. All we seek at the present moment is the approval of the House of Commons of this draft convention. After the approval will follow the formal ratification, and then I submit that the convention becomes part and parcel of the treaty of Versailles, and we are just as fully bound by a convention authorized by that treaty and properly ratified as we are by the other provisions of the treaty.

I mention this in view of the citation by my right hon. friend of an opinion expressed in this house by the late Right Hon. Charles Doherty in 1920, at that time Minister of Justice, and also in view of a judgment of the Supreme Court of Canada on the same question. When the opinion was given in this house by the then Minister of Justice all that we had before parliament was a draft convention which had been adopted at a labour conference held in Washington in 1919, in pursuance of the terms of the treaty of Versailles. At the conference in Washington a draft convention was adopted for submission to the various nations who had signed the treaty of Versailles. In due course that draft convention came before the parliament of Canada, merely as a draft convention, and a question at once arose as to the nature of the obligations, if any, which had been imposed upon the Dominion of Canada by reason of the fact that we had become parties to the treaty of Versailles. The statement made at that time by the then Minister of Justice in my judgment was accurate in every respect as a statement of the law. In 1925 this question and other questions were referred to the Supreme Court of Canada, and in the judgment of that court the opinion given by the former Minister of Justice, Right Hon. Mr. Doherty, was elaborated and sustained. In the judgment of the present right hon. chief justice of the Supreme Court of Canada I find this language:

> It seems very clear that the duty arising under this clause is not a duty to enact legislation or to promote legislation; it is an undertaking simply to bring the recommendation or draft convention before the competent authority.

There was no other obligation cast upon this parliament merely by the submission of the draft convention. That was the stage the matter had then reached; that was the stage it had reached when the question was referred to the supreme court. But the situation will become entirely different if this parliament sees fit to approve and subsequently to ratify the draft convention. It then will become part and parcel of the treaty of Versailles, and as such I submit with a good deal of confidence it will come within the jurisdiction of this parliament under section 132 of the British North America Act.

Hon. ERNEST LAPOINTE (Quebec East): Mr. Speaker, I desire to reserve any remarks I have to make as to the last point raised by the Minister of Justice (Mr. Guthrie) until one of the conventions which in my view falls within provincial jurisdiction, namely the eight hour day convention, is taken up further. There can be no doubt that this convention is within the jurisdiction of the federal parliament. One of the reasons why this draft convention which was adopted in 1926 has not been approved by this parliament,—although I believe when the Shipping Act adopted last year has been proclaimed it will be part of the law of the country—is that the powers of parliament in matters of shipping were restricted. In 1926 and again in 1929 one of the main reasons we took the stand which ultimately led to the enactment of the Westminster statute was that so far as authority or jurisdiction in shipping matters was concerned Canada was still a crown colony. The provisions of the Merchant Shipping Act of 1854, which ante dated confederation by thirteen years were almost in their entirety applied to Canada. The Merchant Shipping Act of 1894 gave us the authority or jurisdiction to repeal some of the provisions, so far as their application to Canada was concerned. That authority however applied to only part of the act and our actions had to be approved by the imperial parliament. We were further restricted by the fact that we had no right to enact extra-territorial legislation, and undoubtedly to have full effect our laws relating to shipping must have such extraterritorial jurisdiction. We had no right to enact any law which would be repugnant to an act of the imperial parliament. In point of fact we stated that Canada was placed in an embarrassing position because she had no authority to enact the provisions to which she had pledged herself under conventions relating to shipping at international conferences. Since the Westminster statute of 1930 this condition has disappeared and only last year this parliament enacted a new shipping act embodying the obligations which Canada assumed at the various international conferences regarding shipping. So there is nothing very extraordinary in the resolution before the house. It is within our jurisdiction to act, and in fact we enacted the provisions last year.

There is one observation however I desire to direct to the right hon. Prime Minister. Is he sure the language of his resolution—and the same language appears in the resolutions following—is correct? He states: "That it is expedient that parliament do approve" and so on. Have we the right to speak for parliament? We are the House of Commons. I believe we should speak only for the House of Commons, and then a message could be sent to the Senate in order to obtain their approval. I do not think we have yet removed the Senate from our parliamentary system.

Mr. ANGUS MacINNIS (Vancouver South): Mr. Speaker, I wish to say a few words in support of the resolution, and in this instance my support is given unreservedly. Sometimes as I listen to the debates in this chamber I have a feeling that some hon. members are afraid other hon. members may bring in proposals or recommend legislation of a beneficial character. So far as I am concerned I do not care who brings in the legislation, whether it be the government of the day or hon. members of the opposition. All I want to see is good legislation and good law. I believe the adoption of this convention is a step in the right direction and consequently I support it.

I believe the purpose of the international labour organization is to consider ways and means of improving internationally the standard of living of the working classes. They take the various occupations in which the working classes are engaged and set minimum standards for them. I believe the present convention is in that class. In my opinion there could be only one reason why we could or should oppose the draft convention, and it would be that if the standards in Canada concerning a particular occupation were higher than those mentioned in the draft convention it might be more difficult for the dominion to force the regulations. However if we have dominion law covering the point and enforce it I do not think we need have any fear. I believe it essential that we should give our approval to these conventions of the labour organization in view of the fact that Canada is a member of that body, and also because to-day we have international rather than national competition. In western Canada, and I speak particularly of British Columbia, we have a great many orientals. Many people seem to feel that the fact we have so many orientals in British Columbia their competition proves detrimental. However I maintain that the competition of the orientals in China and Japan proves a much greater detriment to the people of British Columbia than the competition of the orientals in that province. My reason for making that statement

in this connection is that the standard of living of the oriental and other countries is lower than ours, and anything which can be done to improve that standard and bring it up to ours, or as the case may be bring ours up to theirs, is a movement in the right direction.

Article 22 provides:

> At least once in ten years, the governing body of the international labour office shall present to the general conference a report on the working of this convention and shall consider the desirability of placing on the agenda of the conference the question of its revision or modification.

If we approve of this article but find that other countries have not approved or, on the other hand, have approved and are not living up to its terms, we may make a protest at a time of revision of the convention and in that way try still further to improve the standard of living of the working classes the world over.

Mr. MACKENZIE KING: Just before the Prime Minister speaks on the point that has been raised as to the drafting—this is a point of order, Mr. Speaker—may I say I think the matter would be simplified and the objection fully met if the resolution were worded: "That the house do approve of the convention," placing those words at the very beginning and deleting the words, "That it is expedient that parliament do approve of the convention." I doubt if the house should express an opinion as to what the Senate and the crown should do. We can only speak with respect to ourselves.

Mr. BENNETT: Dealing with the last question raised by the right hon. gentleman first, it is only necessary to point out that the resolution merely indicates that it is expedient that parliament, that is both houses of parliament, and not dealing with the crown at all for the moment, approve.

Mr. MACKENZIE KING: It says parliament, not both houses.

Mr. BENNETT: I know what it says, and I am advised that this is the form that should be used. My first view was that we should merely say "that the House of Commons do approve," and that is all there would be to it so far as that is concerned; but as it stands, I believe it is the form that has been used on previous occasions, namely, that it is expedient that parliament should do so and so, just as we pass a resolution that it is expedient that some particular form of action be taken. At one time, for instance, a resolution was passed in this house with respect to home rule. It is quite competent for us to say that it is expedient for parliament to take this or that action. That is my understanding at the moment, but in view of what the right hon. gentleman and the former Minister of Justice have said I shall make further inquiries and satisfy myself on that point before we rise this evening.

Mr. MACKENZIE KING: Before the Prime Minister leaves that, may I draw to his attention that when I introduced an amendment to the motion for supply I was advised by the chair that this house could not give any direction to one of its committees. Now the resolution that I moved merely expressed the opinion that it was desirable that the estimates of a certain department should have priority. If this house cannot give an expression of opinion on what it thinks is desirable for one of its own committees to do, it surely cannot say what it is expedient that parliament and the crown shall do.

Mr. BENNETT: I am rather surprised that the right hon. gentleman should avail himself of this opportunity to indicate why he is opposing the ruling of the chair.

Mr. MACKENZIE KING: I am not opposing it; I am supporting the chair.

Mr. BENNETT: May very clearly lays down the rule with respect to the committee of supply, which differs entirely from any other committee, and is the distinguishing reason why instructions could not be given to the committee of supply in that way because supply involves the estimates in detail, as pointed out by May. There is that distinction between giving instructions to an ordinary or special committee and the committee of supply. May makes that point abundantly clear.

I really found it difficult to understand why the right hon. gentleman twice this afternoon in incorrect terms referred to a motion that had been adopted yesterday. He said that he could not quite understand why we were discussing some of these matters because parliament had already acted. He could not understand why yesterday and on other days parliament was discussing questions on private members' motions that had already been dealt with by parliament. Now, with all respect, may I point out how erroneous that statement is. The resolution of the hon. member for Toronto-Scarborough (Mr. Harris) was

that in the opinion of this house the operation of the trade agreements merited the approval of the house. It had nothing to do with the expediency of doing something by the house, but that the operation of the trade treaties merited the approval of the house, which is an entirely different thing.

Mr. MACKENZIE KING: The same thing.

Mr. BENNETT: It is so entirely different that the mere mention of it carries on its face the conviction that it is so. If we say that it is unwise to do something, and we do it, well and good; but when we say that the results of the operations of the trade agreements have been beneficial, that is entirely different; and the resolution moved by the hon. member for Toronto-Scarborough was that the operation of the trade agreements merited the approval of the house.

Dealing with the matter of these conventions, I have only to point out to the right hon. gentleman that I think, if he will inquire he will find there has been much criticism in respect to Canadian action with respect to conventions at Geneva. I am only recording my impressions as I received them on the one occasion I was there. I was ill part of the time but I did discuss the matter with competent authorities, and all my colleagues who had been delegates came back with the same tale, that other countries, because we had accepted certain conventions, could not understand why we did not take further action with respect to them. I know I have explained that the unitary system of government, such as most of those countries have, operates in an entirely different way from the system that we enjoy, and that the distinction between the jurisdiction of provincial legislatures is entirely different from that jurisdiction which is exercised by the central authority in a federated body. I mention that not in any spirit of carping criticism but simply because it had been brought to my attention so frequently, and I thought it desirable merely to mention it, as no doubt it was mentioned to my right hon. friend by those who represented this country at various times at the international labour conferences at Geneva. It was with no intention at all of casting aspersions on my right hon. friend and his government in dealing with these matters, because I was well aware of the fact that in 1919 and 1920 when this matter was new, after the Washington conference, there was a difference of opinion among eminent jurists as to what action should be taken and a difference of opinion among members of the cabinet who happened to be of the legal profession, and finally action was taken referring the question to the Supreme Court of Canada, to determine where the jurisdiction of the province ended and that of the dominion began. I shall have something further to say about that presently in the light of later decisions by the privy council.

All I desire to say with respect to this particular convention is that it was thought desirable for reasons that I think are apparent on the face of it that this action should be taken, for last session we legislated with respect to a part of the matter, and the statute comes into force by proclamation, because it was a statute that it was hoped would have universal application in all parts of the British commonwealth. The hon. former Minister of Justice (Mr. Lapointe) will recall that with the assistance of one of his colleagues and professional assistance from Nova Scotia, certain conclusions were arrived at in London in 1929, and the hope was expressed that we would have some form of established law relating to shipping throughout the entire British commonwealth. We have passed our statute. We have not brought one part of it into force because certain other dominions have not yet legislated with respect to the matter. But in the meantime, as these sections will not become operative until the act is proclaimed, we thought it was desirable to approve of this convention, and the house is therefore now being asked to take that action to-day. It is solely and exclusively within the jurisdiction of the parliament of Canada. There is no question about it because as the former Minister of Justice said, laws with respect to navigation and shipping are solely within the legislative jurisdiction of this parliament.

Therefore, without going further into the matter, because I propose to discuss some of the other resolutions at some length, I make this motion, and if there is any question as to its form I shall have it looked into again at six o'clock, and if it is thought that the suggestion which the right hon. gentleman has made better meets the situation I shall make the necessary motion to permit it to be done.

Motion agreed to.

MARKING OF THE WEIGHT ON HEAVY PACKAGES TRANSPORTED BY VESSELS

Right Hon. R. B. BENNETT (Prime Minister) moved:

That it is expedient that parliament do approve of the convention concerning the

marking of the weight on heavy packages transported by vessels adopted as a draft convention by the general conference of the international labour organization of the League of Nations at its twelfth session in Geneva on the 21st day of June, 1929, reading as follows:—

Convention Concerning the Marking of the Weight on Heavy Packages Transported by Vessels

The general conference of the international labour organization of the League of Nations,

Having been convened at Geneva by the governing body of the international labour office, and having met in its twelfth session on 30th May, 1929, and

Having decided upon the adoption of certain proposals with regard to the marking of the weight on heavy packages transported by vessels, which is included in the first item of the agenda of the session, and

Having determined that these proposals shall take the form of a draft international convention,

adopts, this twenty-first day of June of the year one thousand nine hundred and twenty-nine, the following draft convention for ratification by the members of the international labour organization, in accordance with the provisions of part XIII of the treaty of Versailles and of the corresponding parts of the other treaties of peace:

Article 1.—Any package or object of one thousand kilograms (one metric ton) or more gross weight consigned within the territory of any member which ratifies this convention for transport by sea or inland waterway shall have had its gross weight plainly and durably marked upon it on the outside before it is loaded on a ship or vessel.

In exceptional cases where it is difficult to determine the exact weight, national laws or regulations may allow an approximate weight to be marked.

The obligation to see that this requirement is observed shall rest solely upon the government of the country from which the package or object is consigned, and not on the government of a country through which it passes on the way to its destination.

It shall be left to national laws or regulations to determine whether the obligation for having the weight marked as aforesaid shall fall on the consignor or on some other person or body.

Article 2.—The formal ratifications of this convention under the conditions set forth in Part XIII of the treaty of Versailles and in the corresponding parts of the other treaties of peace shall be communicated to the secretary-general of the League of Nations for registration.

Article 3.—This convention shall be binding only upon those members whose ratifications have been registered with the secretariat.

It shall come into force twelve months after the date on which the ratifications of two members of the international labour organization have been registered with the secretary-general.

Thereafter, this convention shall come into force for any member twelve months after the date on which its ratification has been registered.

Article 4.—As soon as the ratification of two members of the international labour organization have been registered with the secretariat, the secretary-general of the League of Nations shall so notify all the members of the international labour organization. He shall likewise notify them of the registration of ratifications which may be communicated subsequently by other members of the organization.

Article 5.—A member which has ratified this convention may denounce it after the expiration of ten years from the date on which the convention first comes into force, by an act communicated to the secretary-general of the League of Nations for registration. Such denunciation shall not take effect until one year after the date on which it is registered with the secretariat.

Each member which has ratified this convention and which does not, within the year following the expiration of the period of ten years mentioned in the preceding paragraph, exercise the right of denunciation provided for in this article, will be bound for another period of ten years and, thereafter, may denounce this convention at the expiration of each period of ten years under the terms provided for in this article.

Article 6.—At the expiration of each period of ten years after the coming into force of this convention, the governing body of the international labour office shall present to the general conference a report on the working of this convention and shall consider the desirability of placing on the agenda of the conference the question of its revision in whole or in part.

Article 7.—Should the conference adopt a new convention revising this convention in whole or in part, the ratification by a member of the new revising convention shall ipso jure involve denunciation of this convention without any requirement of delay, notwithstanding the provisions of article 5 above, if and when the new revising convention shall have come into force.

As from the date of the coming into force of the new revising convention, the present convention shall cease to be open to ratification by the members.

Nevertheless, this convention shall remain in force in its actual form and content for those members which have ratified it but have not ratified the revising convention.

Article 8.—The French and English texts of this convention shall both be authentic,

and that this house do approve of the same.

He said: I think it well to place upon the record the dates on which this convention was ratified, not approved, by the various states represented at Geneva:

Union of South Africa—February 21, 1933.
Australia—March 9, 1931.

Belgium—June 6, 1934.
Chile—May 31, 1933.
China—June 24, 1931.
Czechoslovakia—March 26, 1934.
Denmark—January 18, 1933.
Estonia—January 18, 1932.
Finland—August 8, 1932.
Germany—July 5, 1933.
Irish Free State—July 5, 1930.
India—September 7, 1931.
Italy—July 18, 1933.
Japan—March 16, 1931.

Luxemburg—April 1, 1931.
Mexico—May 12, 1934.
The Netherlands—January 4, 1933.
Nicaragua—April 21, 1934.
Norway—July 1, 1932.
Poland—June 18, 1932.
Portugal—March 1, 1932.
Roumania—December 7, 1932.
Spain—August 29, 1932.
Sweden—April 11, 1932.
Uruguay—June 6, 1933.
Venezuela—December 17, 1932.
Jugoslavia—April 22, 1933.

The substantial provisions of the convention will be embodied in our Canada Shipping Act, which was passed last session, particularly in section 468, when it comes into force, and for the reasons I mentioned with respect to the seamen's articles of agreement, I suggest that this convention, which provides for marking on heavy packages weighing more than a ton the exact weight in order that the handling of such packages may be done with the least possible danger to those engaged in the work of unloading ships, should be approved by the house.

Hon. ERNEST LAPOINTE (Quebec East): With regard to this convention, the authority to deal with the subject matter of the convention under the peace treaty is clearly the parliament of Canada, and we have no objection to the approval asked for by the resolution, but my remarks on the previous resolution apply to this one also.

Motion agreed to.

PROTECTION AGAINST ACCIDENTS OF WORKERS EMPLOYED IN LOADING OR UNLOADING SHIPS

Right Hon. R. B. BENNETT (Prime Minister) moved:

That is is expedient that parliament do approve of the convention concerning the protection against accidents of workers employed in loading or unloading ships (revised 1932) adopted as a draft convention by the general conference of the international labour organization of the League of Nations at its sixteenth session in Geneva on the 12th day of April, 1932, reading as follows:—

Convention Concerning the Protection Against Accidents of Workers Employed in Loading or Unloading Ships

The general conference of the international labour organization of the League of Nations,

Having been convened at Geneva by the governing body of the international labour office, and having met in its twelfth session on 30 May, 1929, and

Having decided upon the adoption of certain proposals with regard to the protection against accidents of workers employed in loading or unloading ships, which is the second item on the agenda of the session, and

Having determined that these proposals shall take the form of a draft international convention,

adopts, this twenty-first day of June of the year one thousand nine hundred and twenty-nine, the following draft convention for ratification by the members of the international labour organization, in accordance with the provisions of part XIII of the treaty of Versailles and of the corresponding parts of the other Treaties of Peace:

Article 1—For the purpose of this convention:

(1) the term "'processess" means and includes all of any part of the work performed on shore or on board ship of loading or unloading any ship whether engaged in maritime or inland navigation, excluding ships of war, in, on, or at any maritime or inland port, harbour, dock, wharf, quay or similar place at which such work is carried on; and

(2) the term "worker" means any person employed in the processes.

Article 2—Any regular approach over a dock, wharf, quay or similar premises which wrokers have to use for going to or from a working place at which the processes are carried on and every such working place on shore shall be maintained with due regard to the safety of the workers using them.

In particular,

(1) every said working place on shore and any dangerous parts of any said approach thereto from the nearest highway shall be safely and efficiently lighted;

(2) wharves and quays shall be kept sufficiently clear of goods to maintain a clear passage to the means of access referred to in Article 3;

(3) where any space is left along the edge of any wharf or quay, it shall be at least 3 feet (90cm.) wide and clear of all obstructions other than fixed structures, plant and appliances in use; and

(4) so far as is practicable having regard to the traffic and working,

(*a*) all dangerous parts of the said approaches and working places (e.g. dangerous breaks, corners and edges) shall be adequately fenced to a height of not less than 2 feet 6 inches (75 cm.);

(*b*) dangerous footways over bridges, caissons and dock gates shall be fenced to a height of not less than 2 feet 6 inches (75 cm.) on each side, and the said fencing shall be continued at both ends to a sufficient distance which shall not be required to exceed 5 yards (4 m. 50).

Article 3—(1) When a ship is lying alongside a quay or some other vessel for the purpose of the processes, there shall be safe means of access for the use of the workers at such times as they have to pass to or from the ship, unless the conditions are such that they would not be exposed to undue risk if no special appliance were provided.

(2) The said means of access shall be:

(a) where reasonably practicable, the ship's accommodation ladder, a gangway or a similar construction;

(b) in other cases a ladder.

(3) The appliances specified in paragraph (2) (a) of this Article shall be at least 22 inches (55 cm.) wide, properly secured to prevent their displacement, not inclined at too steep an angle, constructed of materials of good quality and in good condition, and securely fenced throughout to a clear height of not less than 2 feet 9 inches (82 cm.) on both sides, or in the case of the ship's accommodation ladder securely

fenced to the same height on one side, provided that the other side is properly protected by the ship's side.

Provided that any appliances as aforesaid in use at the date of the ratification of this convention shall be allowed to remain in use:

(a) until the fencing is renewed if they are fenced on both sides to a clear height of at least 2 feet 8 inches (80cm.);

(b) for one year from the date of ratification if they are fenced on both sides to a clear height of at least 2 feet 6 inches (75cm.).

(4) The ladders specified in paragraph (2) (b) of this article shall be of adequate length and strength, and properly secured.

(5) (a) Exceptions to the provisions of this article may be allowed by the competent authorities when they are satisfied that the appliances specified in the article are not required for the safety of the workers.

(b) The provisions of this article shall not apply to cargo stages or cargo gangways when exclusively used for the processes.

(6) Workers shall not use, or be required to use, any other means of access than the means specified or allowed by this article.

Article 4.—When the workers have to proceed to or from a ship by water for the processes, appropriate measures shall be prescribed to ensure their safe transport, including the conditions to be complied with by the vessels used for this purpose.

Article 5.—(1) When the workers have to carry on the processes in a hold the depth of which from the level of the deck to the bottom of the hold exceeds 5 feet (1 m. 50), there shall be safe means of access from the deck to the hold for their use.

(2) The said means of access shall ordinarily be by ladder, which shall not be deemed to be safe unless it complies with the following conditions:

(a) leaves sufficient free space behind the rungs, which in the case of ladders on bulkheads and in trunk hatchways shall not be less than 4½ inches (11½ cm.), or has throughout rungs of proper width for firm foothold and handhold;

(b) is not recessed under the deck more than is reasonably necessary to keep it clear of the hatchway;

(c) is continued by and is in line with arrangements for secure handhold and foothold on the coamings (e.g. cleats or cups);

(d) the said arrangements on the coamings standout not less than 4½ inches (11½ cm.) for a width of 10 inches (25 cm.); and

(e) if separate ladders are provided between the lower decks, the said ladders are as far as practicable in line with the ladder from the top deck.

Where, however, owing to the construction of the ship, the provision of a ladder would not be reasonably practicable, it shall be open to the competent authorities to allow other means of access, provided that they comply with the conditions laid down in this article for ladders so far as they are applicable.

(3) Sufficient free passage to the means of access shall be left at the coamings.

(4) Shaft tunnels shall be equipped with adequate handhold and foothold on both sides.

(5) When a ladder is to be used in the hold of a vessel which is not decked it shall be the duty of the contractor undertaking the processes to provide such ladder. It shall be equipped at the top with hooks for fastening it on to the coamings or with other means for firmly securing it.

(6) The workers shall not use, or be required to use, other means of access than the means specified or allowed by this article.

(7) Ships existing at the date of ratification of this convention shall be exempt from compliance with the measurements in paragraph 2 (a) and (d) and from the provisions of paragraph 4 of this article for a period not exceeding four years from the date of ratification of this convention.

Article 6.—While the workers are on a ship for the purpose of the processes, no hatchway of a cargo hold which exceeds 5 feet (1 m. 50) in depth from the level of the deck to the bottom of the hold and which is accessible to the workers shall be left open and unprotected, but every such hatchway which is not protected to a clear height of 2 feet 6 inches (75 cm.) by the coamings shall either be securely fenced to a height of 3 feet (90 cm.) if the processes at that hatchway are not impeded thereby or be securely covered.

Similar measures shall be taken when necessary to protect any other openings in a deck which might be dangerous to the workers.

Provided that the requirements of this article shall not apply when a proper and sufficient watch is being kept.

Article 7.—When the processes have to be carried on on a ship, the means of access thereto and all places on board at which the workers are employed or to which they may be required to proceed in the course of their employment shall be efficiently lighted.

The means of lighting shall be such as not to endanger the safety of the workers nor to interfere with the navigation of other vessels.

Article 8.—In order to ensure the safety of the workers when engaged in removing or replacing hatch coverings and beams used for hatch coverings.

(1) hatch coverings and beams used for hatch coverings shall be maintained in good condition;

(2) hatch coverings shall be fitted with adequate hand grips, having regard to their size and weight;

(3) beams used for hatch coverings shall have suitable gear for removing and replacing them of such a character as to render it unnecessary for workers to go upon them for the purpose of adjusting such gear;

(4) all hatch coverings and fore and aft and thwart-ship beams shall, in so far as they are not interchangeable, be kept plainly marked to indicate the deck and hatch to which they belong and their position therein;

(5) hatch coverings shall not be used in the construction of cargo stages or for any other purpose which may expose them to damage.

Article 9.—Appropriate measures shall be prescribed to ensure that no hoisting machine, or gear, whether fixed or loose, used in conection therewith, is employed in the processes on shore or on board ship unless it is in a safe working condition.

In particular,

(1) before being taken into use, the said machines, fixed gear on board ship accessory thereto as defined by national laws or regulations, and chains and wire ropes used in connection therewith, shall be adequately examined

and tested, and the safe working load thereof certified, in the manner prescribed and by a competent person;

(2) after being taken into use, every hoisting machine, whether used on shore or on board ship, and all fixed gear on board ship accessory thereto as defined by national laws or regulations shall be thoroughly examined or inspected as follows:

(a) to be thoroughly examined every four years and inspected every twelve months: derricks, goose necks, mast bands, derrick bands, eyebolts, spans and any other fixed gear the dismantling of which is specially difficult;

(b) to be thoroughly examined every twelve months: all hoisting machines (e.g. cranes, winches), blocks, shackles and all other accessory gear not included in (a).

All loose gear (e.g. chains, wire ropes, rings, hooks) shall be inspected on each occasion before use unless they have been inspected within the previous three months.

Chains shall not be shortened by tying knots in them and precautions shall be taken to prevent injury to them from shard edges.

A thimble or loop splice made in any wire rope shall have at least three tucks with a whole strand of rope and two tucks with one half of the wires cut out of each strand; provided that this requirement shall not operate to prevent the use of another form of splice which can be shown to be as efficient as the form hereby prescribed.

(3) Chains and such similar gear as is specified by national laws or regulations (e.g. hooks, rings, shackles, swivels) shall, unless they have been subjected to such other sufficient treatment as may be prescribed by national laws or regulations, be annealed under the supervision of a competent person as follows:

(a) In the case of chains and the said gear carried on board ship:

(i) half inch (12½ mm.) and smaller chains or gear in general use once at least in every six months;

(ii) all other chains or gear (including span chains but excluding bridle chains attached to derricks or masts) in general use once at least in ever twelve months:

Provided that in the case of such gear used solely on cranes and other hoisting appliances worked by hand, twelve months shall be substituted for six months in sub-paragraph (i) and two years for twelve months in sub-paragraph (ii);

Provided also that, if the competent authority is of opinion that owing to the size, design, material or infrequency of use of any of the said gear other than chains the requirements of this paragraph as to annealing are not necessary for the protection of the workers, it may, by certificate in writing (which it may at its discretion revoke) exempt such gear from the said requirements subject to such conditions as may be specified in the said certificate.

(b) In the case of chains and the said gear not carried on board ship:

Measures shall be prescribed to secure the annealing of the said chains and gear.

(c) In the case of the said chains and gear whether carried on board ship or not, which have been lengthened, altered or repaired by welding, they shall thereupon be tested and re-examined.

(4) Such duly authenticated records as will provide sufficient prima facie evidence of the safe condition of the machines and gear concerned shall be kept, on shore or on the ship as the case may be, specifying the safe working load and the dates and results of the tests and examinations referred to in paragraphs (1) and (2) of this article and of the annealings or other treatment referred to in paragraph (3).

Such records shall, on the application of any person authorized for the purpose, be produced by the person in charge thereof.

(5) The safe working load shall be kept plainly marked on all cranes, derricks and chain slings and on any similar hoisting gear used on board ship as specified by national laws or regulations. The safe working load marked on chain slings shall either be in plain figures or letters upon the chains or upon a tablet or ring of durable material attached securely thereto.

(6) All motors, cogwheels, chain and friction gearing, shafting, live electric conductors and steam pipes shall (unless it can be shown that by their position and construction they are equally safe to every worker employed as they would be if securely fenced) be securely fenced so far as is practicable without impeding the safe working of the ship.

(7) Cranes and winches shall be provided with effective appliances to prevent the accidental descent of a load while in process of being lifted or lowered.

(8) Appropriate measures shall be taken to prevent exhaust steam from and, so far as practicable, live steam to any crane or winch obscuring any part of the working place at which a worker is employed.

Article 10.—Only sufficiently competent and reliable persons shall be employed to operate lifting or transporting machinery whether driven by mechanical power or otherwise, or to give signals to a driver of such machinery, or to attend to cargo falls on winch ends or winch drums.

Article 11.—(1) No load shall be left suspended from any hoisting machine unless there is a competent person actually in charge of the machine while the load is so left.

(2) Appropriate measures shall be prescribed to provide for the employment of a signaller where this is necessary for the safety of the workers.

(3) Appropriate measures shall be prescribed with the object of preventing dangerous methods of working in the stacking, unstacking, stowing and unstowing of cargo, or handling in connection therewith.

(4) Before work is begun at a hatch the beams shall be removed, unless the hatch is of sufficient size to preclude danger to the workers from a load striking against the beams; provided that when the beams are not removed they shall be securely fastened to prevent their displacement.

(5) Precautions shall be taken to facilitate the escape of the workers when employed in a hold or on 'tween decks in dealing with coal or other bulk cargo.

(6) No stage shall be used in the processes unless it is substantially and firmly constructed, adequately suported and where necessary securely fastened.

No truck shall be used for carrying cargo between ship and shore on a stage so steep as to be unsafe.

Stages shall where necessary be treated with suitable material to prevent the workers slipping.

(7) When the working space in a hold is confined to the square of the hatch, hooks shall not be made fast in the bands or fastenings of bales of cotton, wool, cork, gunny bags or other similar goods (nor can-hooks on barrels), except for the purpose of breaking out or making up slings.

(8) No gear of any description shall be loaded beyond the safe working load, except on special occasions expressly authorized by the owner or his responsible agent of which a record shall be kept.

(9) In the case of shore cranes with varying capacity (e.g. raising and lowering jib with load capacity varying according to the angle) an automatic indicator or a table showing the safe working loads at the corresponding inclinations of the jib shall be provided on the crane.

Article 12.—National laws or regulations shall prescribe such precautions as may be deemed necessary to ensure the proper protection of the workers, having regard to the circumstances of each case, when they have to deal with or work in proximity to goods which are in themselves dangerous to life or health by reason either of their inherent nature or of their condition at the time, or work where such goods have been stowed.

Article 13.—At docks, wharves, quays and similar places which are in frequent use for the processes, such facilities as having regard to local circumstances shall be prescribed by national laws or regulations shall be available for rapidly securing the rendering of first-aid and in serious cases of accident removal to the nearest place of treatment. Sufficient supplies of first-aid equipment shall be kept permanently on the premises in such a condition and in such positions as to be fit and readily accessible for immediate use during working hours. The said supplies shall be in charge of a responsible person or persons, who shall include one or more persons competent to render first-aid, and whose services shall also be readily available during working hours.

At such docks, wharves, quays and similar places as aforesaid appropriate provision shall also be made for the rescue of immersed workers from drowning.

Article 14.—Any fencing, gangway, gear, ladder, life-saving means or appliance, light, mark, stage or other thing whatsoever required to be provided under this convention shall not be removed or interefered with by any person except when duly authorized or in case of necessity, and if removed shall be restored at the end of the period for which its removal was necessary.

Article 15.—It shall be open to each member to grant exemptions from or exceptions to the provisions of this Convention in respect of any dock, wharf, quay or similar place at which the processes are only occasionally carried on or the traffic is small and confined to small ships, or in respect of certain special ships or special classes of ships or ships below a certain small tonnage, or in cases where as a result of climatic conditions it would be impracticable to require the provisions of this Convention to be carried out.

The international labour office shall be kept informed of the provisions in virtue of which any exemptions and exceptions as aforesaid are allowed.

Article 16.—Except as herein otherwise provided, the provisions of this convention which affect the construction or permanent equipment of the ship shall apply to ships the building of which is commenced after the date of ratification of the Convention, and to all other ships within four years after that date, provided that in the meantime the said provisions shall be applied so far as reasonable and practicable to such other ships.

Article 17.—In order to ensure the due enforcement of any regulations prescribed for the protection of the workers against accidents,

(1) The regulations shall clearly define the persons or bodies who are to be responsible for compliance with the respective regulations;

(2) Provision shall be made for an efficient system of inspection and for penalties for breaches of the regulations;

(3) Copies or summaries of the regulations shall be posted up in prominent positions at docks, wharves, quays and similar places which are in frequent use for the processes.

Article 18.—The formal ratifications of this convention under the conditions set forth in Part XIII of the treaty of Versailles and in the corresponding parts of the other treaties of peace shall be communicated to the Secretary-General of the League of Nations for registration.

Article 19.—This convention shall be binding only upon those members whose ratifications have been registered with the secretariat.

It shall come into force twelve months after the date on which the ratifications of two members of the international labour organization have been registered with the secretary-general

Thereafter, this convention shall come into force for any member twelve months after the date on which its ratification has been registered.

Article 20.—As soon as the ratifications of two members of the international labour organization have been registered with the secretariat, the secretary-general of the league of nations shall so notify all the members of the international labour organization. He shall likewise notify them of the registration of ratifications which may be communicated subsequently by other members of the organization.

Article 21.—A member which has ratified this convention may denounce it after the expiration of ten years from the date on which the convention first comes into force, by an act communicated to the secretary-general of the league of nations for registration. Such denunciation shall not take effect until one year after the date on which it is registered with the secretariat.

Each member which has ratified this convention and which does not, within the year following the expiration of the period of ten years mentioned in the preceding paragraph, exercise the right of denunciation provided for in this article, will be bound for another period of five years and, thereafter, may denounce this Convention at the expiration of each period of five years under the terms provided for in this article.

Article 22.—At the expiration of each period of ten years after the coming into force of this convention, the governing body of the international labour office shall present to the general conference a report on the working of this convention and shall consider the desirability of placing on the agenda of the conference the question of its revision in whole or in part.

Article 23.—Should the conference adopt a new convention revising this convention in

whole or in part, the ratification by a member of the new revising convention shall ipso jure involve denunciation of this convention without any requirement of delay, notwithstanding the provisions of Article 21 above, if and when the new revising convention shall have come into force.

As from the date of the coming into force of the new revising convention, the present convention shall cease to be open to ratification by the members.

Nevertheless, this convention shall remain in force in its actual form and content for those members which have ratified it but have not ratified the revising convention.

Article 24.—The French and English texts of this Convention shall both be authentic. and that this House do approve of the same.

He said: This draft convention, which has for its object the protection against accidents of workers employed in loading or unloading ships, was ratified by a lesser number of states at the end of 1934 than the others. Italy, Mexico, Spain and Uruguay were the only countries that had registered their approval up to the end of 1934—Italy on October 30, 1933; Mexico on May 12, 1934; Spain on July 28, 1934; Uruguay on June 6, 1933.

With respect to this matter, what has been said by the leader of the opposition (Mr. Mackenzie King) is not at variance with my general appreciation of the situation. In some countries existing legislation is equally as good as that suggested by conventions, and in the peace treaty itself, in those sections dealing with labour, it is provided specifically that where existing provisions are better than those in draft conventions, the convention shall not be taken, read or construed as in any way lessening the requirements provided for in the countries in question. I do not think it becomes very important in that regard, but that provision has been made in the peace treaty itself.

Hon. ERNEST LAPOINTE (Quebec East): What I said with regard to the previous resolutions applies to this one.

Motion agreed to.

WEEKLY DAY OF REST IN INDUSTRIAL UNDERTAKINGS

Right Hon. R. B. BENNETT (Prime Minister) moved:

That, it is expedient that parliament do approve of the convention concerning the application of the weekly rest in industrial undertakings adopted as a draft convention by the general conference of the international labour organization of the League of Nations at its third session in Geneva on the 17th day of November, 1921, reading as follows:—

Convention Concerning the Application of the Weekly Rest in Industrial Undertakings

[Mr. Bennett.]

The general conference of the international labour organization of the League of Nations,

Having been convened at Geneva by the governing body of the international labour office, and having met in its third session on 25 October 1921, and

Having decided upon the adoption of certain proposals with regard to the weekly rest day in industrial employment, which in included in the seventh item of the agenda of the session, and

Having determined that these proposals shall take the form of a draft international convention,

adopts the following draft convention for ratification by the members of the international labour organization, in accordance with the provisions of part XIII of the treaty of Versailles and of the corresponding parts of the other treaties of peace:

Article 1.—For the purpose of this convention, the term "industrial undertakings" includes:

(a) Mines, quarries, and other works for the extraction of minerals from the earth.

(b) Industries in which articles are manufactured, altered, cleaned, repaired, ornamented, finished, adapted for sale, broken up or demolished, or in which materials are transformed; including shipbuilding and the generation, transformation and transmission of electricity or motive power of any kind.

(c) Construction, reconstruction, maintenance, repair, alteration, or demolition of any building, railway, tramway, harbour, dock, pier, canal, inland waterway, road, tunnel, bridge, viaduct, sewer, drain, well, telegraphic or telephonic installation, electrical undertaking, gas work, waterwork, or other work of construction, as well as the preparation for or laying the foundations of any such work or structure.

(d) Transport of passengers or goods by road, or inland waterway, including the handling of goods at docks, quays, wharves or warehouses, but excluding transport by hand.

This definition shall be subject to the special national exceptions contained in the Washington convention limiting the hours of work in industrial undertakings to eight in the day and forty-eight in the week, so far as such exceptions are applicable to the present convention.

Where necessary, in addition to the above enumeration, each Member may define the line of division which separates industry from commerce and agriculture.

Article 2.—The whole of the staff employed in any industrial undertaking, public or private, or in any branch thereof shall, except as otherwise provided for by the following articles, enjoy in every period of seven days a period of rest comprising at least twenty-four consecutive hours.

This period of rest shall, wherever possible, be granted simultaneously to the whole of the staff of each undertaking.

It shall, wherever possible, be fixed so as to coincide with the days already established by the traditions or customs of the country or district.

Article 3.—Each member may except from the application of the provisions of article 2 persons employed in industrial undertakings in which only the members of one single family are employed.

Article 4.—Each member may authorize total or partial exceptions (including suspensions or diminutions) from the provisions of article 2,

special regard being had to all proper humanitarian and economic considerations and after consultation with responsible associations of employers and workers, wherever such exist.

Such consultation shall not be necessary in the case of exceptions which have already been made under existing legislation.

Article 5.—Each member shall make, as far as possible, provision for compensatory periods of rest for the suspensions or diminutions made in virtue of article 4, except in cases where agreements or customs already provide for such periods.

Article 6.—Each member will draw up a list of the exceptions made under articles 3 and 4 of this convention and will communicate it to the international labour office, and thereafter in every second year any modifications of his list which shall have been made.

The international labour office will present a report on this subject to the general conference of the international labour organization.

Article 7.—In order to facilitate the application of the provisions of this convention each employer, director, or manager, shall be obliged:

(a) Where the weekly rest is given to the whole of the staff collectively, to make known such days and hours of collective rest by means of notices posted conspicuously in the establishment or any other convenient place, or in any other manner approved by the government.

(b) Where the rest period is not granted to the whole of the staff collectively, to make known, by means of a roster drawn up in accordance with the method approved by the legislation of the country, or by a regulation of the competent authority, the workers or employees subject to a special system of rest, and to indicate that system.

Article 8.—The formal ratifications of this convention under the conditions set forth in Part XIII of the treaty of Versailles and of the corresponding parts of the other treaties of peace, shall be communicated to the secretary-general of the League of Nations for registration.

Article 9.—This convention shall come into force at the date on which the ratifications of two members of the international labour organization have been registered by the secretary-general.

It shall be binding only upon those members whose ratifications have been registered with the secretariat.

Thereafter, the convention shall come into force for any member at the date on which its ratification has been registered with the secretariat.

Article 10.—As soon as the ratifications of two members of the international labour organization have been registered with the secretariat, the secretary-general of the League of Nations shall so notify all the members of the international labour organization. He shall likewise notify them of the registration of ratifications which may be communicated subsequently by other members of the organization.

Article 11.—Each member which ratifies this convention agrees to bring the provisions of articles 1, 2, 3, 4, 5, 6 and 7 into operation not later than 1st January, 1924, and to take such action as may be necessary to make these provisions effective.

Article 12.—Each member of the international labour organization which ratifies this convention engages to apply it to its colonies, possessions and protectorates, in accordance with the provisions of article 421 of the treaty of Versailles and of the corresponding articles of the other treaties of peace.

Article 13.—A member which has ratified this convention may denounce it after the expiration of ten years from the date on which the convention first comes into force, by an act communicated to the secretary-general of the League of Nations for registration. Such denunciation shall not take effect until one year after the date on which it is registered with the secretariat.

Article 14.—At least once in ten years, the governing body of the international labour office shall present to the general conference a report on the working of this convention and shall consider the desirability of placing on the agenda of the conference the question of its revision or modification.

Article 15.—The French and English texts of this convention shall both be authentic and that this house do approve of the same.

He said: This draft convention, adopted at the third session of the international labour organization of the League of Nations on November 17, 1921, has been ratified by appropriate action by the following countries, the dates of ratification being indicated as I proceed:

Belgium—July 19, 1926.
Bulgaria—March 6, 1925.
Chile—September 15, 1925.
China—May 17, 1934.
Colombia—June 20, 1933.
Czechoslovakia—August 31, 1923.
Estonia—November 29, 1923.
Finland—June 19, 1923.
France—September 3, 1926.
Greece—May 11, 1929.
India—May 11, 1923.
Irish Free State—July 22, 1930.
Italy—September 6, 1924.
Latvia—September 9, 1924.
Lithuania—June 9, 1931.
Luxemburg—April 16, 1928.
Nicaragua—April 12, 1934.
Poland—June 21, 1924.
Portugal—July 3, 1928.
Roumania—August 16, 1923.
Spain—June 20, 1924.
Sweden—December 22, 1931.
Uruguay—June 6, 1933.
Jugoslavia—April 1, 1927.

If it would better suit the convenience of the former Minister of Justice (Mr. Lapointe), who proposes to discuss the legal phases of these resolutions, I would defer discussion until we come to the one dealing with the forty-eight hour week, noting the hon. gentleman's objection, and proceeding with this without discussion. I would note that his views are as indicated.

Hon. ERNEST LAPOINTE (Quebec East): I agree with the suggestion of the Prime Minister except to say, with respect to this one,

that we had already national legislation regarding the Lord's Day, chapter 123 of the Revised Statutes of Canada, and when this convention was adopted at Geneva Canada was far ahead, I should say, of almost all the countries with regard to legislation of this kind. The Lord's Day Act makes it unlawful for workmen to work and for employers to make workmen work during the twenty-four hours from midnight on Saturday to midnight on Sunday, and there is a special provision that when, because of emergency or because of a special kind of work to be done, workmen have to be employed on Sunday, the employer under the law must give those who work in that way another twenty-four hours of rest during the following week. So with that reservation I have no objection.

Right Hon. W. L. MACKENZIE KING (Leader of the Opposition): I should like to add just a word to what the ex-Minister of Justice (Mr. Lapointe) has said by way of drawing the attention of the house to the manner in which the labour office of the league had been advised of the approval by the government of Canada of this convention. This convention was passed at the third international labour conference at Geneva in 1921. When the matter was sent by the labour office to Ottawa, the Hon. Sir Lomer Gouin, who was Minister of Justice at the time, brought the matter before the cabinet with a recommendation which was subsequently passed on June 27, 1922, as an order in council. In that order the following appears:

> So far as Canada is concerned, the draft convention and recommendation look to securing the twenty-four hour rest period on the Lord's Day, which is customarily, and by law required to be, observed throughout the dominion as a day of rest, and therefore, they involve legislation relating to criminal law, which is a subject within the exclusive legislative authority of the parliament of Canada. The Lord's Day Act (R.S.C., chap. 153) contains the existing legislation on this subject.

I am quoting the order in council from a record which appears in the Labour Gazette for July, 1922. The Gazette also sets forth the manner in which the authorities at Geneva were advised of the approval by the government of Canada of this convention. It was by sending to Geneva a copy of the order in council which was passed stating that this legislation was already on the statute books of this country. I have thought it well to add this much in order to make it clear that the authorities at Geneva were duly advised of the existing legislation and of the approval of the government of Canada in regard to that convention.

[Mr. Lapointe.]

Right Hon. R. B. BENNETT (Prime Minister): Just in answer to one question, I am familiar with the fact to which the right hon. gentleman has referred, with the provisions of the Lord's Day Act to be embodied in a statute founded on the approval of this convention. But the Lord's Day Act does not go quite as far as this convention does in connection with cases in which the day of rest could not be the Lord's Day. For instance, I know of cases that came to my attention within the last few months in which men have been working continuously seven days a week without any day of rest and this convention does not contemplate that being done. Intimation of the existing legislation has been given to the international labour office as the right hon. gentleman has said, in more than one case. In fact, sometimes when during my tenure of office cables have come for information relating to a particular matter one is able to refer to statutes in one's own statute books, but it does not come within either approval or ratification so far as the convention itself is concerned if there is a difference in details between the convention and our legislation, and in order that there may be no question we have gone a step further than merely advising them; we have asked the approval of this house to this draft convention.

Motion agreed to.

EIGHT HOUR DAY AND FORTY-EIGHT HOUR WEEK IN INDUSTRIAL UNDERTAKINGS

Right Hon. R. B. BENNETT (Prime Minister) moved:

> That, it is expedient that parliament do approve of the convention limiting the hours of work in industrial undertakings to eight in the day and forty-eight in the week adopted as a draft convention by the general conference of the international labour organization of the League of Nations at its first session in Washington on the 28th day of November, 1919, reading as follows:
>
> Convention Limiting the Hours of Work in Industrial Undertakings to Eight in the Day and Forty-eight in the Week
>
> The general conference of the international labour organization of the League of Nations,
>
> Having been convened at Washington by the government of the United States of America, on the 29th day of October, 1919, and
>
> Having decided upon the adoption of certain proposals with regard to the "application of the principle of the 8 hour day or of the 48 hour week," which is the first item in the agenda for the Washington meeting of the conference, and
>
> Having determined that these proposals shall take the form of a draft international convention,

adopts the following draft convention for ratification by the members of the international labour organization, in accordance with the labour part of the treaty of Versailles of 28 June, 1919, and of the treaty of St. Germain of 10 September, 1919:

Article 1.—For the purpose of this convention, the term "industrial undertaking" includes particularly:

(a) Mines, quarries, and other works for the extraction of minerals from the earth.

(b) Industries in which articles are manufactured, altered, cleaned, repaired, ornamented, finished, adapted for sales, broken up or demolished, or in which materials are transformed; including shipbuilding and the generation, transformation, and transmission of electricity or motive power of any kind.

(c) Construction, reconstruction, maintenance, repair, alteration, or demolition of any building, railway, tramway, harbour, dock, pier, canal, inland waterway, road, tunnel, bridge, viaduct, sewer, drain, well, telegraphic or telephonic installation, electrical undertaking, gas work, waterwork or other work of construction, as well as the preparation for or laying the foundations of any such work or structure.

(d) Transport of passengers or goods by road, rail, sea or inland waterway, including the handling of goods at docks, quays, wharves or warehouses, but excluding transport by hand.

The provisions relative to transport by sea and on inland waterways shall be determined by a special conference dealing with employment at sea and on inland waterways.

The competent authority in each country shall define the line of division which separates industry from commerce and agriculture.

Article 2.—The working hours of persons employed in any public or private undertaking or in any branch thereof, other than an undertaking in which only members of the same family are employed, shall not exceed eight in the day and forty-eight in the week, with the exceptions hereinafter provided for.

(a) The provisions of this convention shall not apply to persons holding positions of supervision or management, nor to persons employed in a confidential capacity.

(b) Where by law, custom, or agreement between employers' and workers' organizations, or, where no such organizations exist, between employers' and workers' representatives, the hours of work on one or more days of the week are less than eight, the limit of eight hours may be exceeded on the remaining days of the week by the sanction of the competent public authority, or by agreement between such organizations or representatives; provided, however, that in no case under the provisions of this paragraph shall the daily limit of eight hours be exceeded by more than one hour.

(c) Where persons are employed in shifts it shall be permissible to employ persons in excess of eight hours in any one day and forty-eight hours in any one week, if the average number of hours over a period of three weeks or less does not exceed eight per day and forty-eight per week.

Article 3.—The limit of hours of work prescribed in article 2 may be exceeded in case of accident, actual or threatened, or in case of urgent work to be done to machinery or plant, or in case of "force majeure," but only so far as may be necessary to avoid serious interference with the ordinary working of the undertaking.

Article 4.—The limit of hours of work prescribed in article 2 may also be exceeded in those processes which are required by reason of the nature of the process to be carried on continuously by a succession of shifts, subject to the condition that the working hours shall not exceed fifty-six in the week on the average. Such regulation of the hours of work shall in no case affect any rest days which may be secured by the national law to the workers in such processes in compensation for the weekly rest day.

Article 5.—In exceptional cases where it is recognized that the provisions of article 2 cannot be applied, but only in such cases, agreements between workers' and employers' organizations concerning the daily limit of work over a longer period of time may be given the force of regulations, if the government, to which these agreements shall be submitted, so decides.

The average number of hours worked per week, over the number of weeks covered by any such agreement shall not exceed forty-eight.

Article 6.—Regulations made by public authority shall determine for industrial undertakings:

(a) The permanent exceptions that may be allowed in preparatory or complementary work which must necessarily be carried on outside the limits laid down for the general working of an establishment, or for certain classes of workers whose work is essentially intermittent.

(b) The temporary exceptions that may be allowed, so that establishments may deal with exceptional cases of pressure of work.

These regulations shall be made only after consultation with the organizations of employers and workers concerned, if any such organizations exist. These regulations shall fix the maximum of additional hours in each instance, and the rate of pay for overtime shall not be less than one and one-quarter times the regular rate.

Article 7.—Each government shall communicate to the international labour office:

(a) A list of the processes which are classed as being necessarily continuous in character under article 4;

(b) Full information as to working of the agreements mentioned in article 5; and

(c) Full information concerning the regulations made under article 6 and their application.

The international labour office shall make an annual report thereon to the general conference of the international labour organization.

Article 8.—In order to facilitate the enforcement of the provisions of this convention, every employer shall be required:

(a) To notify by means of the posting of notices in conspicuous places in the works or other suitable place, or by such other method as may be approved by the government, the hours at which work begins and ends, and where work is carried on by shifts, the hours at which each shift begins and ends. These hours shall be so fixed that the duration of the work shall not exceed the limits prescribed by this convention, and when so notified they shall not be changed except with such notice and in such manner as may be approved by the government.

(b) To notify in the same way such rest intervals accorded during the period of work as are not reckoned as part of the working hours.

(c) To keep a record in the form prescribed by law or regulation in each country of all additional hours worked in pursuance of articles 3 and 6 of this convention.

It shall be made an offence against the law to employ any person outside the hours fixed in accordance with paragraph (a), or during the intervals fixed in accordance with paragraph (b).

Article 9.—In the application of this convention to Japan the following modifications and conditions shall obtain:

(a) The term "industrial undertaking" includes particularly—

The undertakings enumerated in paragraph (a) of article 1;

The undertakings enumerated in paragraph (b) of article 1, provided there are at least ten workers employed;

The undertakings enumerated in paragraph (c) of article 1, in so far as these undertakings shall be defined as "factories" by the competent authority;

The undertakings enumerated in paragraph (d) of article 1, except transport of passengers or goods by road, handling of goods at docks, quays, wharves, and warehouses, and transport by hand; and,

Regardless of the number of persons employed, such of the undertakings enumerated in paragraphs (b) and (c) of article 1 as may be declared by the competent authority either to be highly dangerous or to involve unhealthy processes.

(b) The actual working hours of persons of fifteen years of age or over in any public or private industrial undertaking, or in any branch thereof, shall not exceed fifty-seven in the week, except that in the raw-silk industry the limit may be sixty hours in the week.

(c) The actual working hours of persons under fifteen years of age in any public or private industrial undertaking, or in any branch thereof, and of all miners of whatever age engaged in underground work in the mines, shall in no case exceed forty-eight in the week.

(d) The limit of hours of work may be modified under the conditions provided for in articles 2, 3, 4, and 5 of this convention, but in no case shall the length of such modification bear to the length of the basic week a proportion greater than that which obtains in those articles.

(e) A weekly rest period of twenty-four consecutive hours shall be allowed to all classes of workers.

(f) The provision in Japanese factory legislation limiting its application to places employing fifteen or more persons shall be amended so that such legislation shall apply to places employing ten or more persons.

(g) The provisions of the above paragraphs of this article shall be brought into operation not later than 1 July, 1922, except that the provisions of article 4 as modified by paragraph (d) of this article shall be brought into operation not later than 1 July, 1923.

(h) The age of fifteen prescribed in paragraph (c) of this article shall be raised, not later than 1 July, 1925, to sixteen.

Article 10.—In British India the principle of a sixty-hour week shall be adopted for all workers in the industries at present covered by the factory acts administered by the government of India, in mines, and in such branches of railway work as shall be specified for this purpose by the competent authority. Any modification of this limitation made by the competent authority shall be subject to the provisions of articles 6 and 7 of this convention. In other respects the provisions of this convention shall not apply to India, but further provisions limiting the hours of work in India shall be considered at a future meeting of the general conference.

Article 11.—The provisions of this convention shall not apply to China, Persia, and Siam, but provisions limiting the hours of work in these countries shall be considered at a future meeting of the general conference.

Article 12.—In the application of this convention to Greece, the date at which its provisions shall be brought into operation in accordance with article 19 may be extended to not later than 1 July, 1923, in the case of the following industrial undertakings:

(1) Carbon-bisulphide works,
(2) Acid works,
(3) Tanneries,
(4) Paper mills,
(5) Printing works,
(6) Sawmills,
(7) Warehouses for the handling and preparation of tobacco,
(8) Surface mining,
(9) Foundries,
(10) Lime works,
(11) Dye works,
(12) Glassworks (blowers),
(13) Gas works (firemen),
(14) Loading and unloading merchandise;

and to not later than 1 July, 1924, in the case of the following industrial undertakings:

(1) Mechanical industries: Machine shops for engines, safes, scales, beds, tacks, shells (sporting), iron foundries, bronze foundries, tin shops, plating shops, manufactories of hydraulic apparatus;

(2) Constructional industries: Lime-kilns, cement works, plasterers' shops, tile yards, manufactories of bricks and pavements, potteries, marble yards, excavating and building works;

(3) Textile industries: Spinning and weaving mills of all kinds, except dye works;

(4) Food industries: Flour and grist-mills, bakeries, macaroni factories, manufactories of wines, alcohol, and drinks, oil works, breweries, manufactories of ice and carbonated drinks, manufactories of confectioners' products and chocolate, manufactories of sausages and preserves, slaughterhouses, and butcher shops;

(5) Chemical industries: Manufactories of synthetic colours, glassworks (except the blowers), manufactories of essence of turpentine and tartar, manufactories of oxygen and pharmaceutical products, manufactories of flaxseed oil, manufactories of glycerine, manufactories of calcium carbide, gas works (except the firemen);

(6) Leather industries: Shoe factories, manufactories of leather goods;

(7) Paper and printing industries: Manufactories of envelopes, record books, boxes, bags, bookbinding, lithographing, and zinc-engraving shops;

(8) Clothing industries: Clothing shops, underwear and trimmings, workshops for pressing, workshops for bed coverings, artificial flowers, feathers, and trimmings, hat and umbrella factories;

(9) Woodworking industries: Joiners' shops, coopers' sheds, wagon factories, manufactories of furniture and chairs, picture-framing establishments, brush and broom factories;

(10) Electrical industries: Power houses, shops for electrical installations;

(11) Transportation by land: Employees on railroads and street cars, firemen, drivers, and carters.

Article 13—In the application of this convention to Roumania the date at which its provisions shall be brought into operation in accordance with article 19 may be extended to not later than 1 July, 1924.

Article 14—The operation of the provisions of this convention may be suspended in any country by the government in the event of war or other emergency endangering the national safety.

Article 15—The formal ratifications of this convention, under the conditions set forth in part XIII of the Treaty of Versailles of 28 June, 1919, and of the Treaty of St. Germain of 10 September, 1919, shall be communicated to the secretary general of the League of Nations for registration.

Article 16—Each member of the international labour organization which ratifies this convention engages to apply it to its colonies, protectorates and possessions which are not fully self-governing:—

(*a*) Except where owing to the local conditions its provisions are inapplicable; or

(*b*) Subject to such modifications as may be necessary to adapt its provisions to local conditions.

Each member shall notify to the international labour office the action taken in respect of each of its colonies, protectorates, and possessions which are not fully self-governing.

Article 17—As soon as the ratification of two members of the international labour organization have been registered with the secretariat, general of the League of Nations shall so notify all the members of the international labour organization.

Article 18—This convention shall come into force at the date on which such notification is issued by the secretary general of the League of Nations, and it shall then be binding only upon those members which have registered their ratifications with the secretariat. Thereafter this convention will come into force for any other member at the date on which its ratification is registered with the secretariat.

Article 19—Each member which ratifies this convention agrees to bring its provisions into operation not later than 1 July, 1921, and to take such action as may be necessary to make these provisions effective.

Article 20—A member which has ratified this convention may denounce it after the expiration of ten years from the date on which the convention first comes into force, by an act communicated to the secretary general of the League of Nations for registration. Such denunciation shall not take effect until one year after the date on which it is registered with the secretariat.

Article 21—At least once in ten years the governing body of the international labour office shall present to the general conference a report on the working of this convention, and shall consider the desirability of placing on the agenda of the conference the question of its revision or modification.

Article 22.—The French and English texts of this convention shall both be authentic.

and that this house do approve of the same.

He said: I gather from the observations which have been made by my hon. friends opposite that they question the jurisdiction of this house to deal with this matter. I therefore shall take some little time to communicate to the house why in the judgment of the government there is no question at all as to the position which we occupy. If I thought we were doubtful, I would at once admit that, but I do not think the question is even doubtful.

That convention to limit the hours of work in industrial undertakings to eight in the day and forty-eight in the week was adopted as a draft convention by the international labour conference at its first session on November 28, 1919. Since that date at the registry at the league office in Geneva ratifications have been deposited by the following countries on the dates indicated:

County—Date:
Austria—June 12, 1924.
Argentine Republic—November 30, 1933.
Belgium—September 6, 1926.
Bulgaria—February 14, 1922.
Chile—September 15, 1925.
Colombia—June 20, 1933.
Czechoslovakia—August 24, 1921.
Dominican Republic—February 4, 1933.
France—June 2, 1927.
Greece—November 19, 1920.
India—July 14, 1921.
Italy—October 6, 1924.
Latvia—August 15, 1925.
Lithuania—June 19, 1931.
Luxemburg—August 16, 1928.
Nicaragua—April 12, 1934.
Portugal—July 3, 1928.
Roumania—June 13, 1921.
Spain—February 22, 1929.
Uruguay—June 6, 1933.

I assume it is not necessary for me to remind the house that the press has indicated from time to time that in the United Kingdom discussions in regard to a shorter than forty-eight hour week have been going on for some time and legislation may not be improbable. I merely mention that in passing. The labour unions of course are able to do much to enforce that decision in Great Britain.

It is desirable perhaps to indicate at some length the exact processes by which the government has solved the problem of jurisdiction. Article 23 of the peace treaty concluded at Versailles on June 28, 1919, provides that:

Subject to and in accordance with the provisions of international conventions existing or hereafter to be agreed upon, the members of the league:

(a) will endeavour to secure and maintain fair and humane conditions of labour for men, women and children, both in their own countries and in all countries to which their commercial and industrial relations extend, and for that purpose will establish and maintain the necessary international organizations;

The next subdivision deals with native inhabitants; the next;

(c) will entrust the league with the general supervision over the execution of agreements with regard to the traffic in women and

children, and the traffic in opium and other dangerous drugs;

(e) will make provision to secure and maintain freedom of communications. . . .

And the control of disease. That is all I have to say with respect to that particular article, article 23 of part 1. That of course is part of the covenant of the league.

Then if we turn to part XIII of the peace treaty, which deals with labour, we find that section I deals with—

Organization of Labour

Whereas the League of Nations has for its object the establishment of universal peace, and such a peace can be established only if it is based on social justice;

And whereas conditions of labour exist involving such injustice, hardship and privation to large numbers of people as to produce unrest so great that the peace and harmony of the world are imperilled; and an improvement of those conditions is urgently required; as, for example, by the regulation of the hours of work, including the establishment of a maximum working day and week, the regulation of the labour supply, the prevention of unemployment, the provision of an adequate living wage, the protection of the worker against sickness, disease and injury arising out of his employment, the protection of children, young persons and women, provision for old age and injury, protection of the interests of workers when employed in countries other than their own, recognition of the principle of freedom of association, the organization of vocational and technical education and other measures;

Whereas also the failure of any nation to adopt humane conditions of labour is an obstacle in the way of other nations which desire to improve the conditions in their own countries;

The high contracting parties, moved by sentiments of justice and humanity, as well as by the desire to secure the permanent peace of the world, agree to the following:

Then follows chapter 1, which creates the organization.

A permanent organization is hereby established for the promotion of the objects set forth in the preamble.

The original members of the League of Nations shall be the original members of this organization, and hereafter membership in the League of Nations shall carry with it membership of the said organization.

Article 388

The permanent organization shall consist of:

(1) a general conference of representatives of the members and,

(2) an international labour office controlled by the governing body described in article 393.

Then follow provisions for meetings, and the methods by which representatives are sent to the meetings representing both labour and capital, employers and employees. We have always been represented at such gatherings. Then we come to the article dealing with draft conventions, which has already been in part quoted this afternoon by the right hon. leader of the opposition, it being article 405. And I direct particular attention to these words, in view of what I am about to say;

In the case of a draft convention, the member will, if it obtains the consent of the authority or authorities within whose competence the matter lies, communicate the formal ratification of the convention to the secretary-general and will take such action as may be necessary to make effective the provisions of such convention.

If on a recommendation no legislative or other ation is taken to make a recommendation effective, or if the draft convention fails to obtain the consent of the authority or authorities within whose competence the matter lies, no further obligation shall rest upon the member.

In the case of a federal state, the power of which to enter into conventions on labour matters is subject to limitations, it shall be in the discretion of that government to treat a draft convention to which such limitations apply as a recommendation only, and the provisions of this article with respect to recommendations shall apply in such case.

The above article shall be interpreted in according with the following principle:

In no case shall any member be asked or required, as a result of the adoption of any recommendation or draft convention by the conference, to lessen the protection afforded by its existing legislation to the workers concerned.

It was to that provision that I referred a moment ago.

Now, sir, bearing in mind that article and a further article, namely 427, we submit with complete confidence that this is within the legislative competence of the parliament of Canada. Article 427 sets forth the general principles that govern, and reads as follows:

The high contracting parties, recognizing that the well-being, physical, moral and intellectual, of industrial wage-earners is of supreme international importance, have framed, in order to further this great end, the permanent machinery provided for in section 1 and associated with that of the League of Nations.

They recognize that differences of climate, habits and customs, of economic opportunity and industrial tradition, make strict uniformity in the conditions of labour difficult of immediate attainment. But, holding as they do, that labour should not be regarded merely as an article of commerce, they think that there are methods and principles for regulating labour conditions which all industrial communities should endeavour to apply, so far as their special circumstances will permit.

Among these methods and principles, the following seem to the high contracting parties to be of special and urgent importance:

First—The guiding principle above enunciated that labour should not be regarded merely as a commodity or article of commerce.

Second—The right of association for all lawful purposes by the employed as well as by the employers.

Third—The payment to the employed of a wage adequate to maintain a reasonable standard of life as this is understood in their time and country.

Fourth—The adoption of an eight hour day or a forty-eight hour week as the standard to be aimed at where it has not already been attained.

Fifth—The adoption of a weekly rest of at least twenty-four hours, which should include Sunday wherever practicable.

Sixth—The abolition of child labour and the imposition of such limitations on the labour of young persons as shall permit the continuation of their education and assure their proper physical development.

Seventh—The principle that men and women should receive equal remuneration for work of equal value.

Eighth—The standard set by law in each country with respect to the conditions of labour should have due regard to the equitable economic treatment of all workers lawfully resident therein.

Ninth—Each state should make provision for a system of inspection in which women should take part, in order to ensure the enforcement of the laws and regulations for the protection of the employed.

Without claiming that these methods and principles are either complete or final, the high contracting parties are of opinion that they are well fitted to guide the policy of the League of Nations; and that, if adopted by the industrial communities who are members of the league, and safeguarded in practice by an adequate system of such inspection, they will confer lasting benefits upon the wage-earners of the world.

Now I direct attention to the language I have just read, because it is an agreement to which Canada became a signatory, a party. The treaty of peace is stated to have been entered into between the associated and allied powers and the countries named; the United States of America, the British empire, France, Italy and Japan, these powers being described in the present treaty as the principal allied and associated powers; Belgium, Bolivia, Brazil, China, Cuba, Ecuador, Greece, Guatemala, Haiti, the Hedjaz, Honduras, Liberia, Nicaragua, Panama, Peru, Poland, Portugal, Roumania, The Serb-Croat-Slovene State, Siam, Czechoslovakia and Uruguay; these powers constituting with the principal powers mentioned above the allied and associated powers, on the one part; and Germany on the other part.

The signatures to the treaty are in the terms I mentioned the other day; namely, the British empire signed through representatives that appeared on her behalf when the treaty was concluded. I think I should mention that in order that there may be no apprehension with respect to it as we proceed. The words from the opening of the treaty with respect to the British empire are as follows:

His Majesty the King of the United Kingdom of Great Britain and Ireland of the British dominions beyond the seas, Emperor of India, by:

The Right Honourable David Lloyd George, M.P., First Lord of His Treasury and Prime Minister;

The Right Honourable Andrew Bonar Law, M.P., His Lord Privy Seal;

The Right Honourable Viscount Milner, G.C.B., G.C.M.G., His Secretary of State for the Colonies;

The Right Honourable Arthur James Balfour, O.M., M.P., His Secretary of State for Foreign Affairs;

The Right Honourable George Nicoll Barnes, M.P., Minister without Portfolio;

And, for the Dominion of Canada, by the Honourable Charles Joseph Doherty, Minister of Justice, and the Honourable Arthur Lewis Sifton, Minister of Customs.

Then follow the signatures on behalf of Australia, the Union of South Africa, New Zealand and India. So, as far as we are concerned, we signed this treaty from which I have read extracts as part of the British empire.

It is important to bear in mind that an international treaty not only involves the acceptance of obligations; it must be taken to confer benefits as well. The obligations are with respect to other countries; the privileges are the benefits that, by the signature of other countries, we enjoy in consequence of their having become parties to the treaty. So there is a measure of mutuality and benefit conferred on each country by all the others, and when you have an important treaty, an international obligation signed by practically all the nations of the world in the manner in which this treaty was signed, conferring benefits, privileges and advantages by each country upon the other, with each country on the other hand accepting the obligations and responsibilities that are incident to the execution of such a document, you should have practically an ideal instrument so far as international relations are concerned.

I pointed out that there was a clear recognition on the part of those who made the treaty that there were varying forms of government in the countries of the world. The unitary form of government presented no difficulties, for the parliament of that particular country could deal with every matter that might arise for consideration. For instance, the parliament of the United Kingdom deals with matters touching the water works of cities such as Birmingham and Manchester; with local government in small areas and communities; with parish rates and poor law rates, and also with the great problems of defence of its territory on sea and land and with questions of foreign policy concerning disarmament and the peace

of the world. So a unitary system of government need have no limitations of any kind imposed upon it. But where you have a federal union or a federated state you must look to the instrument that created the state and to the constitution under which it operates to determine the extent of the power to be exercised by each of the units that comprise the state itself, and the power conferred by the constitution on the central authority.

It is important, therefore, to consider what powers have been given our provinces and what legislative juridiction has been conferred upon the central power. I do not propose this afternoon to enter into any lengthy argument in this regard, beyond saying that broadly and generally matters of a local nature are within the jurisdiction of the provinces, notably matters in connection with property and civil rights and other matters such as education, subject to limitations, and certain questions with respect to agriculture subject to the supreme power of the dominion parliament if it is exercised over the same subject matter, and questions of that kind. But when we deal with section 91 of the British North America Act we have an entirely different matter to consider. That section confers upon the parliament of Canada exclusive power to legislate for the dominion as a whole. The legislation, indeed, is prefaced by the words with which this parliament is so familiar, that is, the general term peace, order and good government for the whole of Canada, and the succeeding division of the powers by section 91 illustrates the subjects that have to be considered as indicative of the exercise of power with respect to peace, order and good government. I need not take time to run through them, because they are very familiar to every hon. member of this house. We are constantly exercising them. They relate to banks and banking; navigation and shipping; copyrights; bankruptcy; interest; legal tender; savings banks; weights and measures; sea coast and inland fisheries; postal service; the census and statistics, and matters of that kind. Therefore under our constitution which we familiarly refer to as the British North America Act, we have exclusive jurisdiction—and I should like hon. members of the house to bear in mind that the word is "exclusive"—conferred upon the legislatures of the several provinces, the words being:

> In each province the legislature may exclusively make laws in relation to matters coming within the classes of subjects next hereinafter enumerated; that is to say—

Then the closing sub-head, No. 16, reads:

> Generally all matters of a merely local or private nature in the province.

It may be taken, therefore, that we must bear in mind in approaching this problem that there are certain matters within the exclusive jurisdiction—

Mr. MACKENZIE KING: I do not want to interrupt the Prime Minister but I think when he looks at his remarks he will see that his mind slipped rather quickly from the federal to the provincial field, without completing what he had to say about federal jurisdiction.

Mr. BENNETT: I am coming to that. The provincial power is exclusive, and I read the words contained in paragraph 16 of section 92 for the purpose of making it clear that the broad and general provision of the statute is that matters generally of a local nature in the provinces shall be within the jurisdiction of the legislatures. But when we come to deal with section 91, which as I said is the section that confers powers upon this parliament, it will be found that the words are as follows:

> It shall be lawful for the Queen, by and with the advice and consent of the Senate and House of Commons, to make laws for the peace, order and good government of Canada, in relation to all matters not coming within the classes of subjects by this act assigned exclusively to the legislatures of the provinces—

And for greater certainty certain subjects are mentioned, such as I indicated a few moments ago. Obviously to interpret those two sections is a matter of great difficulty. You have to rely upon judicial decisions, because the point at which there may be, shall I say, an interference with the fullest exercise of its powers by a provincial legislature, by legislation of the dominion parliament, is very difficult to determine. Therefore we have a long line of judicial decisions determining the extent to which the powers of the legislatures might be exclusively exercised and the subjects over which this central parliament has power, to the exclusion of jurisdiction on the part of the provinces. We have had many difficult cases before the courts. If I were asked what I thought was the greatest service rendered to Canada by the judicial committee of the privy council I would say it was found in the fact that there can be but one judgment in that tribunal. It is not a judgment in the narrow sense of the term; it is the advice which that committee of the king's council gives to the sovereign as to how differences should be adjudicated between his subjects or between those who are litigating, sometimes not his subjects, in his courts. As there is no such

thing as a dissenting judgment in that committee; as there is no possibility of there being two opinions, strong though may be the differences of opinion between the individuals during the progress of the argument or even at its conclusion; as there must be but one judgment embodying the recommendation made to the sovereign as to how the matter in question should be disposed of, I believe that makes for a measure of harmony that otherwise would be denied. Consider, for instance, the many judgments of the Supreme Court of Canada in which sometimes acute legal differences all unconsciously have brought about a division of opinion, with two members of the court finding one way and three members another, or four members finding one way and one member another. It will be recalled also that in that very vital moment in the history of the United States when the question of the validity of an election for the presidency was under consideration, the supreme court of that country divided sharply upon political lines, and it was many years before the country recovered from the shock that the public conscience received by reason of the judgment then delivered.

So I believe that one of the greatest services, if not the greatest service, rendered to this country has been that the court of last resort, the judicial committee of the privy council, in arriving at its recommendations to the sovereign as to how matters should be determined that have called for the interpretation of our constitution, has been the fact that there can be only one recommendation. I think that has been one of the greatest safeguards of our daily life. Obviously I do not propose this afternoon to address hon. members of this house as though they were a court, because that would be unfair both to them and to myself. In my own simple way I should like to indicate to hon. members the principles which during the progress of the years have been evolved to enable legislatures and parliaments properly to deal with matters which come before them for consideration.

Only a few moments ago the right hon. leader of the opposition referred to the reference made to the Supreme Court of Canada by the government of the day with respect to the constitutionality of the provision in our law which deals with hours of labour. The report of the case will be found in the 1925 Supreme Court reports, commencing at page 505. I ask the house to bear in mind the date of that decision. As I have said it was in 1925. The case was argued on June 11 and on June 18 of that year judgment was given. I think it would be well to read the questions because they may be useful to hon. members who wish to discuss the matter. The questions submitted to the court were as follows:

(1) What is the nature of the obligation of the Dominion of Canada as a member of the international labour conference, under the provisions of the labour part (Part XIII) of the treaty of Versailles and of the corresponding provisions of the other treaties of peace, with relation to such draft conventions and recommendations as may be from time to time adopted by the said conference under the authority of and pursuant to the aforesaid provisions?

(2) Are the legislatures of the provinces the authorities within whose competence the subject matter of the said draft convention (Copy of which is herewith submitted) in whole or in part lies and before whom such draft convention should be brought, under the provisions of Article 405 of the treaty of peace with Germany, for the enactment of legislation or other action?

(3) If the subject matter of the said draft convention be, in part only, within the competence of the legislatures of the provinces, then in what particular or particulars, or to what extent, is the subject matter of the draft convention within the competence of the legislatures?

(4) If the subject matter of the said draft convention be, in part only, within the competence of the legislatures of the provinces, then in what particular or particulars, or to what extent, is the subject matter of the draft convention within the competence of the parliament of Canada?

The unanimous decision of the court was given by Mr. Justice, now Chief Justice Duff, and the questions were answered as follows:

To the first question: the obligation is simply in the nature of an undertaking to bring the recommendation or draft convention before the authority or authorities within whose competence the matter lies, for the enactment of legislation or other action.

To the second question: Yes, in part.

To the third question: The subject matter is generally within the competence of the legislatures of the provinces, but the authority vested in these legislatures does not enable them to give the force of law to provisions such as those contained in the draft convention in relation to servants of the dominion government, or to legislate for those parts of Canada which are not within the boundaries of a province.

To the fourth question: The parliament of Canada has exclusive legislative authority in those parts of Canada not within the boundaries of any province, and also upon the subjects dealt with in the draft convention in relation to the servants of the dominion government.

The sense, therefore, of the answers to the questions as they appear at page 512 of the report is that there was no obligation upon the dominion parliament to enact legislation, and that the federal power had discharged its

duty when it submitted to the provincial legislatures, through dispatches to the lieutenant governors, the matters that were within the exclusive jurisdiction of the provincial legislatures. There is one observation found at pages 510 and 511 in the judgment of Mr. Justice Duff to which I should like to refer:

> It seems questionable whether government employees, in industrial undertakings carried on by the government, such, for example, as shipbuilding, are within the scope of the convention. The point was not the subject of argument before us, and concerning it no opinion is intended to be expressed.
>
> It is necessary to observe, also, that as regards those parts of Canada which are not included within the limits of any province, the legislative authority in relation to civil rights generally, and to the subject matter of the convention in particular, is the dominion parliament.

Then after further discussion he gave the answers to the questions I have just read. That was in 1925. The development of our constitutional power by judicial decisions is of course not a static thing; there is constant movement and progress. Different judges have taken different views, and undoubtedly, as Mr. Justice Oliver Wendell Holmes has said, the state of public opinion, generally, influences judicial decisions not to the extent of in any sense modifying precedents, but expanding in every possible way the meaning to be given to language to meet the new conditions under which people may live. Perhaps the most striking example of that is to be found in the decision given in the House of Lords in connection with trade conspiracies. I refer to Allen and Flood. The method by which our common law has expanded to meet the demands made upon it by new conditions in our civilization is I think, as the late Mr. Justice Macready in England said, one of the most remarkable circumstances of our civilization.

But the interpretation of a statute is an entirely different matter from the adjudication of differences between litigants. Rules of construction have been framed during all the years, and the method to be applied in dealing with a given statute has usually become more or less settled by long practice and the passage of time. Only a few days ago my colleague, the Minister of Justice (Mr. Guthrie) read to this chamber a summary of the rules which the present Lord Chancellor of England said he regarded as the general principles to be taken from a perusal of the cases. I need hardly point out to hon. members that over a period of sixty years it is quite impossible to say that complete consistency has governed

in the adjudication of various men who have dealt with the British North America Act. For instance, there was a day when under the strong and dominating influence of Lord Watson the swing of the pendulum was towards the maintenance, at the expense of federal power, of the provincial authorities. I need hardly say there was a relaxation of that condition, and in later years there was a swing towards the supremacy of the federal power. Particularly was that so when the events of the great war indicated how essential it was that there should be a strong law making authority, or that power should be in the central authority.

Perhaps before dealing with that point it might be desirable, for the purpose of making it part of my observations, to read the rules to which Lord Sankey has referred, because they may be of value to some hon. members who will read what is taking place this afternoon. He has said this:

> While the decisions which the board has pronounced in the many constitutional cases which have come under their consideration from the dominion must each be regarded in the light of the facts involved in it, their lordships recognize that there has grown up round the British North America Act a body of precedents of high authority and value as guides to its interpretation and application. The useful and essential task of taking stock of this body of authority and reviewing it in relation to the original text has been undertaken by this board from time to time and notably, for example, in the cases of Attorney General of Ontario v. Attorney General of Canada and others; Attorney General for Canada v. Attorneys General for the provinces of Ontario, Quebec, and Nova Scotia; city of Montreal v. Montreal Street Railway Company, and in the same year Attorney General for Ontario and others v. Attorney General for Canada and another. In all these four cases the scope of the two sections was carefully considered, but it is not necessary to cite them at length because so recently as last year this board reviewed them in the case of Attorney General for Canada v. Attorney General for British Columbia and others, and laid down four propositions relative to the legislative competence of Canada and the provinces respectively as established by the decisions of the Judicial committee. These propositions are as follows:—
>
> 1. The legislation of the parliament of the dominion, so long as it strictly relates to subjects of legislation expressly enumerated in section 91 is of paramount authority, even though it trenches upon matters assigned to the provincial legislature by section 92.

Now I am going to venture to make this observation as I go along. Many members will recall the case of the Union Bank and Tennant, a case in which it was contended that the provision made in the Bank Act

by which security may be given without registry by way of chattel mortgage, and that all the power and authority so far as the mortgagee was concerned of a chattel mortgage—that that exercise of power by this parliament was beyond its competence because it infringed on property and civil rights in the province. But the privy council said no; although it does trench upon the exclusive powers of the provincial legislature, nevertheless if it is in its essential character a part of the banking legislation, which is solely within the exclusive legislative jurisdiction of the parliament of Canada, it must prevail, and it did prevail.

The second principle which the Lord Chancellor laid down is this:

> 2. The general power of legislation conferred upon the parliament of the dominion by section 91 of the act in supplement of the power to legislate upon the subjects expressly enumerated must be strictly confined to such matters as are unquestionably of national interest and importance, and must not trench on any of the subjects enumerated in section 92, as within the scope of provincial legislation, unless these matters have attained such dimensions as to affect the body politic of the dominion.
>
> 3. It is within the competence of the dominion parliament to provide for matters which though otherwise within the legislative competence of the provincial legislature, are necessarily incidental to effective legislation by the parliament of the dominion upon a subject of legislation expressly enumerated in section 91.
>
> 4. There can be a domain in which provincial and dominion legislation may overlap, in which case, neither legislation will be ultra vires if the field is clear, but if the field is not clear and the two legislations meet, the dominion legislation must prevail.

Those four principles thus stated by the Lord Chancellor are to-day the beacon lights that guide this government in arriving at its conclusions with respect to the subject matter to which I have referred. The application of them is not easy; the reading of them is simple. The ascertainment of the facts to which they apply always becomes more or less complicated, but I think I can submit to this house without difficulty that with respect to hours of labour and with respect to the one day's rest in seven, there is no possible doubt, and especially with respect to the latter having regard to the provisions of the Lord's Day Act as coming within criminal legislation, that we have the authority to legislate.

Now I shall endeavour briefly to indicate how the enunciation of those principles came into being. This country claimed jurisdiction over aviation, complete and absolute. The case was submitted to the Supreme Court of Canada and decided against the contention of the dominion, and the reasons given were those given with respect to the hours of labour, only applied in a different way. It was the opinion of the court, not a unanimous opinion, but it was the opinion of a majority of the court, that aviation in its essential characteristics was engaged in by a government for the purpose of safeguarding its own properties and matters of that sort, and one judge instanced the case of a province initiating a service with that purpose in view. The case ultimately went to the privy council, and in considering that case it became necessary for the Lord Chancellor to make the statement he did. The case was argued before the privy council on the 10th, 14th, 16th, 17th and 20th days of July, 1931, and judgment was given on the 22nd day of October of the same year. I direct attention to the wording. It was those words of the judgment of the Supreme Court of Canada with respect to hours of labour, from which no appeal was taken to the privy council.

I shall trespass on the time of the house to direct attention to the fact that there was outstanding a convention with respect to aeronautics. I will point out that that convention was a convention under this very Peace treaty and that it was a convention that dealt with every phase of aerial navigation. Later parliament did exercise its powers and enact a statute in which regulations were set out at some length, and various other regulations were subsequently made dealing as the lords of the privy council said, with practically every phase of aeronautics. Now bear in mind that section, and I think it is desirable that I should read it at the moment. It is section 132 of our constitution, and section 132 reads as follows:

> The parliament and government of Canada—

That is the executive:

> —shall have all powers necessary or proper for performing the obligations of Canada or of any province thereof, as part of the British empire, towards foreign countries arising under treaties between the empire and such foreign countries.

It will probably be within the memory of my right hon. friend opposite and the former Minister of Justice that when we were considering the Sockeye Salmon treaty I inquired of the Solicitor General whether he believed we had the power to override provincial rights in a treaty such as that, and I recall his answer. That, of course, was prior to these decisions. I confess that I have doubt, as I believe every member of the profession had, as to just what the decision would be in that set of facts.

Now if hon. gentlemen have followed me up to that point, I think they will realize

that in the aeronautics case we had a treaty between the British empire, Canada being a part of it, and foreign countries, and in that case the privy council decided that section 132 governed and that provincial rights must be subordinate to treaty rights under the provisions of that section. That is the sense of the decision, and as was pointed out by the Lord Chancellor it is very undesirable to attach undue importance to a word or words, but one must always have regard to the ratio decidendi, the sense of the decision itself. Said Lord Chancellor Sankey:

The Supreme Court of Canada has decided the question in its several branches adversely to the claims of the dominion, and has held in effect that while the dominion has a considerable field of jurisdiction in the matter under various heads of section 91 of the British North America Act 1867, there is also a local field of jurisdiction for the provinces, and that the dominion jurisdiction does not extend so far as to permit it to deal with the subject in the broad way in which it has attempted to deal with it in the legislation under consideration.

During the sittings of the Peace Conference in Paris, at the close of the European war, a convention relating to the regulation of aerial navigation, dated the 13th October, 1919, was drawn up by a commission constituted by the Supreme Council of the Peace Conference. That convention was signed by the representatives of the allied and associated powers, including Canada, and was ratified by His Majesty on behalf of the British Empire on the 1st June, 1922. It is now in force between the British Empire and seventeen other states.

With a view to performing her obligations as part of the British Empire under this convention, which was then in course of preparation, the parliament of Canada enacted the Air Board Act, c. 11, Statutes of Canada 1919 (first session), which, with an amendment thereto, was consolidated in the Revised Statutes of Canada 1927, under the title of the Aeronautics Act, c. 3. It is to be noted, however, that the act does not by reason of its reproduction in the revised statutes take effect as a new law. The governor general in council, on the 31st December, 1919, pursuant to the Air Board Act, issued detailed "Air Regulations" which, with certain amendments, are now in force. By the National Defence Act, 1922, the Minister of National Defence thereafter exercised the duties and functions of the air board.

No provincial legislature had enacted any legislation with respect to it but one of them had made protests against the exercise by this parliament of the powers in question. He proceeds:

The determination of these questions depends upon the true construction of sections 91, 92 and 132 of the British North America Act. Section 132 provides as follows:

"The parliament and government of Canada shall have all powers necessary or proper for performing the obligations of Canada or of any province thereof, as part of the British empire, towards foreign countries arising under treaties between the empire and such foreign countries."

It is not necessary to set out at length the familiar sections 91 and 92 which deal with the distribution of legislative powers. Section 91 tabulates the subjects to be dealt with by the dominion, and section 92 the subjects to be dealt with exclusively by the provincial legislatures, but it will not be forgotten that section 91, in addition, authorizes the king by and with the advice and consent of the Senate and House of Commons of Canada to make laws for the peace, order and good government of Canada in relation to all matters not coming within the classes of subjects by this act assigned exclusively to the legislatures of the provinces, and further provides that any matter coming within any of the classes of subjects enumerated in the section shall not be deemed to come within the classes of matters of a local and private nature comprised in the enumeration of classes of subjects assigned by section 92 exclusively to the legislatures of the provinces. The four questions addressed to the court are as follows:

I will not read them except to say that the answers given were to the effect that the dominion and not the provinces had jurisdiction. Now, reading from the Lord Chancellor's judgment:

With regard to sections 91 and 92 the cases which have been decided on the provisions of these sections are legion. Many inquests have been held upon them, and many great lawyers have from time to time dissected them.

Under our system, decided cases effectively construe the words of an act of parliament and established principles and rules whereby its scope and effect may be interpreted. But there is always a danger that in the course of this process the terms of the statute may come to be unduly extended and attention may be diverted from what has been enacted to what has been judicially said about the enactment.

To borrow an analogy; there may be a range of sixty colours, each of which is so little different from its neighbour that it is difficult to make any distinction between the two, and yet at the one end of the range the colour may be white, and at the other end of the range black. Great care must therefore be taken to consider each decision in the light of the circumstances of the case in view of which it was pronounced, especially in the interpretation of an act such as the British North America Act, which was a great constitutional charter, and not to allow general phrases to obscure the underlying object of the act, which was to establish a system of government upon essentially federal principles. Useful as decided cases are, it is always advisable to get back to the words of the act itself and to remember the object with which it was passed...

But while the courts should be jealous in upholding the charter of the provinces as enacted in section 92, it must no less be borne in mind that the real object of the act was to give the central government those high functions and almost sovereign powers by which uniformity of legislation might be secured on all questions which were of common concern to all the provinces as members of a constituent whole.

Upon that observation we base the soundness of this proposed legislation, and these words I cannot too strongly commend to my hon. friends in this chamber:

It must no less be borne in mind that the real object of the act was to give the central government those high functions and almost sovereign powers by which uniformity of legislation might be secured on all questions which were of common concern to all the provinces as members of a constituent whole.

I will not further trespass upon the time of the house with respect to that phase of the judgment, but I will read further these words:

It is therefore obvious that the dominion parliament, in order duly and fully to "perform the obligations of Canada or of any province thereof" under the convention, must make provision for a great variety of subjects. Indeed, the terms of the convention include almost every conceivable matter relating to aerial navigation, and we think that the dominion parliament not only has the right, but also the obligation, to provide by statute and by regulation that the terms of the convention shall be duly carried out. With regard to some of them no doubt it would appear to be clear that the dominion has power to legislate, for example, under section 91, subsection (2), for the regulation of trade and commerce, and under subsection (5), for the postal services, but it is not necessary for the dominion to piece together its powers under section 91 in an endeavour to render them co-extensive with its duty under the convention when section 132 confers upon it full power to do all that is legislatively necessary for the purpose.

Then his lordship summed up in these words:

To sum up, having regard (a) to the terms of section 132; (b) to the terms of the convention which covers almost every conceivable matter relating to aerial navigation; and (c) to the fact that further legislative powers in relation to aerial navigation reside in the parliament of Canada by virtue of section 91, subsections (2), (5), and (7), it would appear that substantially the whole field of legislation in regard to aerial navigation belongs to the dominion. There may be a small portion of the field which is not by virtue of specific words in the British North America Act vested in the dominion; but neither is it vested by specific words in the provinces. As to such small portion it appears to the board that it must necessarily belong to the dominion under its power to make laws for the peace, order and good government of Canada. Further, their lordships are influenced by the facts that the subject of aerial navigation and the fulfilment of Canadian obligations under section 132 are matters of national interest and importance; and that aerial navigation is a class of subject which has attained such dimensions as to affect the body politic of the dominion.

That disposes of the aeronautics case, and it will be observed that it is only authority for one broad proposition. I have read the observations of the Lord Chancellor merely for the purpose of affording some illumination to our minds as we approach the consideration of the problem. The ratio decidendi of the case is that section 132 confers on this parliament the power to discharge every obligation under a treaty, whether it affects the dominion or a province, which we enter into as part of the British empire. It may therefore be taken that wherever, as a part of the empire, a treaty is made by the parliament of Canada, this parliament has complete jurisdiction to deal with every phase of the subject matter of the treaty to the exclusion of the jurisdiction of the provinces of confederation. There remains therefore the second question, which is a more important one: To what extent has this parliament the power, when we have entered into a convention with other countries, to give effect to the terms of that convention when they clash with the jurisdiction which the provinces may have exercised or may exercise? In other words, is the question of the hours of labour per week and the day of rest a question of such importance, and so national in its character, that having bound ourselves thereto we must therefore give effect to it? I have read from the treaty of peace; I have read from the provisions of the League of Nations; I have read from the closing articles of the peace treaty the general provisions with respect to labour, and it will be observed that part of the treaty, which we signed, provides for a forty-eight hour week and for a day of rest. The general provisions are in no doubt at all but in clear-cut positive terms as part of the document which we signed as a part of the British empire, and which deals with that very subject, apart from every other consideration in the world. It deals in exact terms, and I should like to read them. The fourth and fifth guiding principles set down in article 427 of the treaty read:

Fourth—The adoption of an eight hour day or a forty-eight hour week as the standard to be aimed at where it has not already been attained.

Fifth—The adoption of a weekly rest of at least twenty-four hours, which should include Sunday wherever practicable.

Therefore, when the Dominion of Canada emerged from the conclusion of the peace treaty, it had signed it, not on behalf of a province but on behalf of all the citizens of the dominion, a treaty whereby it had bound itself by every means within its power to ensure a forty-eight hour working week and a

day of rest during that period. Can there be any doubt therefore with respect to the jurisdiction of this parliament? Whatever doubts there may have been are fully resolved by the next case to which I direct attention, the radio case which was decided on February 9, 1932. In that case the rights of the provinces were put forward with very great force. It will be recalled that there was a convention outstanding there too. It was not however a convention made by Canada as part of the empire; it was a convention which Canada herself had signed with other countries such as Mexico, United States and Newfoundland. The judgment in that case was delivered by Lord Dunedin who says this—and I am not going to read at great length:

> For this must at once be admitted the leading consideration in the judgment of the board—

That is in the aeronautics case.

> —was that the subject fell within the provisions of section 132 of the British North America Act.

Which I have already read.

> And it is said with truth that, while as regards aviation there was a treaty, the convention here is not a treaty between the empire as such and foreign countries, for Great Britain does not sign as representing the colonies and dominions. She only confirms the assent which had been signified by the colonies and dominions who were separately represented at the meetings which drafted the convention.

Bear in mind that the radio agreement was a convention just as this is. Then he proceeds to say:

> But while this is so, the aviation case in their lordships' judgment cannot be put on one side. Counsel for the province felt this and sought to avoid any general deduction by admitting that many of the things provided by the convention and the regulations thereof fell within various special heads of section 91. For example, provisions as to beacon signals he would refer to article 10 of section 91—navigation and shipping. It is unnecessary to multiply instances, because the real point to be considered is this manner of dealing with the subject. In other words, the argument of the province comes to this: Go through all the stipulations of the convention and each one you can pick out which fairly falls within one of the enumerated heads of section 91, that can be held to be appropriate for dominion legislation; but the residue belongs to the province under the head either of article 13 of section 92—property and civil rights, or article 16—matters of a merely local or private nature in the province. Their lordships cannot agree that the matter should be so dealt with. Canada as a dominion is one of the signatories to the convention. In a question with foreign powers the persons who might infringe some of the stipulations in the convention would not be the Dominion of Canada as a whole but would be individual persons residing in Canada. These persons must, so to speak, be kept in order by legislation and the only legislation that can deal with them all at once is dominion legislation. This idea of Canada as a dominion being bound by a convention equivalent to a treaty with foreign powers was quite unthought of in 1867. It is the outcome of the gradual development of the position of Canada vis-à-vis to the mother country Great Britain, which is found in these later days expressed in the Statute of Westminster. It is not therefore to be expected that such a matter should be dealt with in explicit words in either section 91 or section 92. The only class of treaty which would bind Canada was thought of as a treaty by Great Britain, and that was provided for by section 132. Being, therefore, not mentioned explicitly in either section 91 or section 92, such legislation falls within the general words at the opening of section 91 which assigned to the government of the dominion the power to make laws "for the peace, order and good government of Canada in relation to all matters not coming within the classes of subjects by this act assigned exclusively to the legislatures of the provinces." In fine, though agreeing that the convention was not such a treaty as is defined in section 132, their lordships think that it comes to the same thing. On the 11th August, 1927, the Privy Council of Canada, with the approval of the Governor General, chose a body to attend the meeting of all the powers to settle international agreements as to wireless. The Canadian body attended and took part in deliberations. The deliberations ended in the convention with general regulations appended being signed at Washington on the 25th November, 1927, by the representatives of all the powers who had taken part in the conference, and this convention was ratified by the Canadian government on the 12th July, 1928. The result is in their lordships' opinion clear. It is Canada as a whole which is amenable to the other powers for the proper carrying out of the convention; and to prevent individuals in Canada infringing the stipulations of the convention it is necessary that the dominion should pass legislation which should apply to all the dwellers in Canada.

I will not detain the house by reading further from the judgment; that is sufficient for my purposes.

There is one word more I desire to say as to an additional ground upon which the proposed legislation is supported. It will be recalled that in dealing with the case of a federal union the treaty provides for a discretion being exercised. I particularly dwelt upon that provision. The discretion might be exercised by sending the recommendation down to a province and it might be exercised as we now propose to exercise it, by legislation in this house. That discretion which is vested in the government of Canada was exercised, it is true, in one way at one time. We now propose to exercise it as indicated in the judgments in the radio and aeronautics

cases. We propose to exercise it as a matter that affects the whole of Canada in which uniform legislation with respect to hours of labour is a question not only of national interest; we cannot go behind the words of the covenant of the League of Nations which declares it to be of international concern. It is not provincial, not national, but international. Under these circumstances, how otherwise can we seriously become a party to a treaty that declares the matter with which we now propose to deal is one of interest not only to us as a nation but to other nations as well because it concerns the well-being and happiness of all nations and does something to secure and make for universal peace? It is on that principle that we support the legislation. Without going into the matter at any greater length—and I apologize to the house for trespassing so long upon its attention with respect to a matter of such vital importance—I move that we approve this convention on the basis of which we are founding the legislation, notice of which is now standing in my name.

Hon. ERNEST LAPOINTE: I must say that I envy my right hon. friend's fine power of confidence in his own views, and I should like to be as sure as he is of any opinion I may offer on a question of this kind. However, I humbly beg to differ from the views he has expressed and to say that his preliminary words to the effect that the government has resolved this question of jurisdiction are a little too hopeful. I am afraid that whatever the action of parliament on the proposed draft convention may be, nothing will be changed as to the respective jurisdictions of the provinces and the federal parliament.

May I say at the outset that I am one of those who believe in the principle of an eight hour day and a forty-eight hour week. I believe in many fields of activity the week might be even shorter, and I shall not surprise my right hon. friend when I say that conditions to-day as to an eight hour day and a forty-eight hour week are quite different from what they were when this draft convention was adopted at Washington. At that time this was the goal which labour wanted to reach, but that is not so to-day; and at the last international labour conference there was submitted a new draft convention making it a forty hour week of labour. All the representatives of labour at the convention strongly urged the adoption of that draft convention. Some of the employers objected and most of the governments' representatives were absent when the final vote was taken. I am sorry to say that the Canadian representative was one of them. I shall quote his words later. He gave as an excuse that in Canada this power belongs to the provinces. At that time he had not been acquainted with the change of view of the law officers of the crown and probably of my right hon. friend. I say that by way of pointing out that no tremendously radical change is involved, because the provisions of this convention are as a matter of fact now in force in most of the provinces of Canada, and in most of the occupations of the Canadian people.

My right hon. friend bases his contention as to the jurisdiction of this parliament on article 23 of the peace treaty, and on the various sections of the labour part of that treaty. Section 23 reads as follows—and it is very important to note the first two lines:

> Subject to and in accordance with the provisions of international conventions existing or hereafter to be agreed upon,—

The whole section is qualified by those two lines, "subject to and in accordance with the provisions of international conventions existing or hereafter to be agreed upon."

Mr. BENNETT: International conventions.

Mr. LAPOINTE: What are those conventions which are to be agreed upon? They are defined, the labour part, as the Prime Minister has said, in the labour part of the peace treaty, which provides in the main for two things: first, the organization of international labour machinery, known as the international labour office, and second, an international labour conference, that being the meeting which takes place annually or twice a year of the representatives of all the countries which are members of the League of Nations; and of late some countries which are not members of the league have joined the international labour office, I am very pleased to say, for the purpose of discussing and coming to decisions on subjects of interest to labour. How is it done? Article 405 of the treaty states how it is done:

> When the conference has decided on the adoption of proposals with regard to an item in the agenda, it will rest with the conference to determine whether these proposals shall take the form: (a) of a recommendation to be submitted to the members for consideration with a view to effect being given to it by national legislation or otherwise, or (b) of a draft international convention for ratification by the members.

It is provided that a majority of two-thirds of the votes cast by the delegates present shall be necessary, and so forth; and that the con-

ference shall have due regard to those countries in which climatic conditions, the imperfect development of industrial organization or other special circumstances prevail. Then it is said in the same article:

Each of the members undertakes that it will, within the period of one year at most from the closing of the session of the conference, or if it is impossible owing to exceptional circumstances to do so within the period of one year, then at the earliest practicable moment and in no case later than eighteen months from the closing of the session of the conference, bring the recommendation or draft convention before the authority or authorities within whose competence the matter lies, for the enactment of legislation or other action.

In the case of a recommendation, the members will inform the Secretary-General of the action taken.

In the case of a draft convention, the member will, if it obtains the consent of the authority or authorities within whose competence the matter lies—

I draw particular attention to those words:

—communicate the formal ratification of the convention to the Secretary-General and will take such action as may be necessary to make effective the provisions of such convention.

If on a recommendation no legislative or other action is taken to make a recommendation effective, or if the draft convention fails to obtain the consent of the authority or authorities within whose competence the matter lies—

And again I draw the attention of the house to those words:

—no further obligation shall rest upon the member.

In the case of a federal state, the power of which to enter into conventions on labour matters is subject to limitations, it shall be in the discretion of that government to treat a draft convention to which such limitations apply as a recommendation only, and the provisions of this article with respect to recommendations shall apply in such case.

These are the only forms of procedure devised for the international labour conference in the exercise of the functions entrusted to it by the peace treaty for the purpose of dealing with labour matters as they affect the nations of the world. As I have stated, Canada in the case of a draft convention will approve if it obtains the consent of the authority or authorities within whose competence the matter lies; the framers of the treaty quite realizing that there are countries in which there would be different jurisdictions as to the matters with which the draft conventions might deal, and that the member, in this case Canada, has first to obtain the consent of the authority or authorities within whose competence the matter lies. And it is further stated that if the draft convention fails to obtain the consent of the authority or authorities within whose competence the matter lies, no further obligation will rest upon the member.

Well, what were the duties of Canada? My right hon. friend puts reliance on section 132 of the British North America Act in his argument that this comes within the power and jurisdiction of the federal parliament. Section 132 states:

The parliament and government of Canada shall have all powers necessary or proper for performing the obligations of Canada or of any province thereof, as part of the British empire, towards foreign countries arising under such treaties between the empire and such foreign countries.

Under section 132 it is the obligation that creates the jurisdiction. If there is no obligation on the part of the government or parliament, and I claim that under the sections of the peace treaty which I have read there is no such obligation, then section 132 fails to give jurisdiction to this parliament because there is not that obligation which alone creates the jurisdiction.

How did Canada act in this matter? My right hon. friend claims that all has been changed as a result of the judgments in the radio and aviation cases, with which I will deal later. What did Canada do? The views of this country were expressed by the government in an order in council dated November 6, 1920, and I wish to put part of this order in council once more on Hansard. It is P.C. 2722, and was based on the report of the then Minister of Justice. It reads as follows:

The minister further states that he is of opinion that the provisions of the labour part of the Treaty of Versailles do not impose any obligation on the Dominion of Canada to enact into law the different draft conventions or recommendations which may from time to time be adopted by the conference. The obligation as set forth is simply in the nature of an undertaking on the part of each member within the period of one year at most from the closing of the session of the conference, or if it is impossible owing to exceptional circumstances to do so within a period of one year, then at the earliest practicable moment, and in any case not later than eighteen months from the closing of the conference "to bring the recommendations or draft conventions before the authority or authorities within whose competence the matter lies for the enactment of legislation or other action." The treaty engagement being of this character, it is not such as to justify legislation on the part of parliament under the authority of section 132 of the British North America Act, 1867, to give effect to any of the proposals of the said draft conventions and recommendations, which must be held, as between the dominion and the provinces, to be within the legislative competence of the latter. The government's obligation will, in the opinion of the minister, be fully carried out if the

different conventions and recommendations are brought before the competent authority, dominion or provincial, accordingly as it may appear, having regard to the scope and objects, the true nature and character of the legislation required to give effect to the proposals of the conventions and recommendations respectively, that they fall within the legislative competence of the one or the other.

That order in council also embodied the minister's opinion on the very question whether the provisions of the draft convention limiting hours of work in industrial undertakings to eight in the day and forty-eight in the week, adopted at the first session of the international labour conference at Washington, came within the legislative competence of the parliament of Canada or of the provincial legislatures. In the same order in council the minister reported that the proposals of this convention—and these are the words of the Minister of Justice, as contained in the order in council:

—involve legislation which is competent to parliament in so far as dominion works and undertakings are affected, but which the provincial legislatures have otherwise the power to enact and apply generally and comprehensively.

In 1923 there was a dominion-provincial conference, which I attended together with the then Minister of Labour. All these draft conventions were submitted to the delegates to that conference, and all agreed that these were matters for provincial action. In 1924 the then Prime Minister, my right hon. leader, moved a resolution which was adopted by the house, and which will be found at page 2466 of Hansard for May 23, 1924. The resolution read:

Resolved that it is expedient that a certain draft convention which was adopted at the first session of the international labour conference of the League of Nations, in 1919, limiting the hours of work in industrial undertakings to eight in the day and forty-eight in the week, be referred to the select committee on industrial and international relations for examination and report, having regard to the labour provisions of the treaties of peace and to the order in council of November 6, 1920, dealing with the jurisdiction of the dominion parliament and the provincial legislatures.

That committee, of which the Minister of Justice and I were members, sat and reported to the house that in spite of the order in council of 1920 and the views expressed by the law officers, the matter was of such importance that it should be submitted to the Supreme Court of Canada by way of a reference.

At six o'clock the house took recess.

After Recess

The house resumed at eight o'clock.

Mr. LAPOINTE: Mr. Speaker, when the house rose at six o'clock I was proceeding to indicate what Canada has done regarding the draft convention in connection with the eight hour day. I forgot to mention that from September 5 to September 7, 1922, a dominion-provincial conference was held in Ottawa as a result of which the following resolution was adopted:

That the conference has had under consideration the various proposals relative to labour which have emanated during the past three years from the international labour conference of the League of Nations. It is provided under the treaties of peace that the draft conventions and recommendations of this body must be brought to the attention of the authority or authorities within whose competence the matter lies for the enactment of legislation or other action, and this conference is of the view that the authorities deemed to be respectively competent to deal with the matters in question should give careful and sympathetic attention to such draft conventions and recommendations with a view to enacting necessary legislation where this may be found practicable, and that the federal government undertakes on request from a majority of provincial governments to call a conference for the consideration of any aspects of these matters when this may be deemed necessary.

It was to give effect to this recommendation that the federal-provincial conference to which I referred this afternoon was called in 1923. I quoted the motion made on May 23, 1924 by the then Prime Minister, the present leader of the opposition (Mr. Mackenzie King) referring this draft convention limiting the hours of work in industrial understakings to the industrial and international relations committee.

That committee in turn reported to the house that although various opinions had been given it believed in order to obtain a final decision the matter should be referred to the Supreme Court of Canada. When the report came before the house for discussion the present Minister of Justice (Mr. Guthrie) took part in the debate. Speaking on July 18, 1924, on an amendment moved by the present hon member for Winnipeg North Centre (Mr. Woodsworth) the Minister of Justice is reported as having said the following:

I do not think there is any doubt as to the jurisdiction of this parliament in regard to dominion labour. But there is more than a doubt in regard to our jurisdiction to apply the eight hour day principle generally throughout the dominion. I have not a doubt upon the subject; I am satisfied that the ruling of the Department of Justice is right in that respect, and that the provincial legislatures have jurisdiction in such matters; but I am

just as sure that this parliament has jurisdiction in regard to dominion works, and if parliament or the government is in sympathy with the proposal of the eight hour day as applicable to dominion operations and dominion works, there is no reason why this proposal should not be supported.

Then he added:

I would not support the amendment if it proposed to extend that principle into provincial jurisdictions over which I am satisfied we have no control. But as the amendment is purely applicable to dominion works I think it is in the right direction and I shall support it.

I commend to the present Minister of Justice the opinion held in 1924 by Hon. Hugh Guthrie.

Mr. GUTHRIE: That was before those decisions.

Mr. LAPOINTE: Yes, before the decisions; I shall come to the decisions. But would it surprise my hon. friend to learn that since the decisions were given he has expressed the same opinion.

Mr. GUTHRIE: No, not under the treaty making powers.

Mr. LAPOINTE: We will see about that later. In the same debate the then leader of the opposition, Right Hon. Arthur Meighen, a former prime minister of Canada, who had much to do with the League of Nations and the international labour office, who is a distinguished jurist and who was never very anxious to make things easy for the then government, used the following language as reported at page 4763 of Hansard:

But I really think the question of jurisdiction is very well determined. I would have been content to accept the Justice department's view as to where our jurisdiction ends and where that of the provinces commences. I have my own opinions and I do not know that they differ from those of others on this subject. However, if there is something still in doubt, if particularly the Justice department has doubt, I have no objection to the submission to the supreme court. But the submission itself is not really any progress. It cannot be stated that by the submission we are taking any very effective step to carry out our undertaking.

Mr. Martel: May I ask my right hon. friend a question, not for the purpose of interrupting him, but as a lawyer? Where does he think the power rests to enact an eight hour day, in the provinces or in the federal authorities?

Mr. Meighen: It rests certainly with the federal authorities so far as federal works are concerned. I do not know myself of any sphere where else it rests. I think the rest of the spheres are the provinces, and I never knew there was any real question of doubt in the matter. But there may be some clause as to which there is doubt, and if the Justice department so holds, the submission is right, but if the submission is merely for the purpose of delay, it is wrong.

[Mr. Lapointe.]

Further on at pages 4764 and 4765 Mr. Meighen said:

We have no right in the world to invade jurisdiction where provincial jurisdiction is clear, and do so under the guise of declaring this work or that for the general advantage of Canada. To do so would be the grossest abuse of the powers of this house, and I would not for one moment consider any such suggestion, no matter from what side of the house it emanated. This expresses my general idea of a most embarrassing question, and I give it, not in any spirit of criticism, but merely as my understanding of what this country is pledged to under the Geneva convention—

Mark these words:

—and as well of what we are pledged to keep away from under our obligations as a party to the contract of confederation.

Reference was then made to the Supreme Court of Canada. The dominion government was represented before the supreme court by the present Deputy Minister of Justice as solicitor and by the late Eugene Lafleur, a distinguished jurist of Montreal, and Mr. O'Donoghue of Toronto as counsel for the attorney general of Canada. I wish to quote a few words from the factum presented to the supreme court, signed by Mr. Lafleur and his associate counsel, speaking on behalf of the justice department and for himself as a distinguished jurist. Having quoted article 405 of the peace treaty, which has been recited in this house this afternoon two or three times, he said:

It is obvious that these provisions of the labour part of the treaty do not impose any obligation on the dominion to enact into law the different draft conventions or recommendations which may from time to time be adopted by the conference. This is merely an undertaking on the part of each member to bring the recommendations or draft conventions before the proper authorities.

This being the extent of the obligation, it does not justify legislation on the part of parliament to give effect to any such recommendations or draft conventions under the authority of section 132 of the British North America Act, which provides that the parliament and government of Canada shall have all powers necessary or proper for performing the obligations of Canada or of any province thereof, as part of the British Empire, towards foreign countries arising out of treaties between the empire and such foreign countries. The government's obligation will be satisfied if the different recommendations or conventions are brought before the competent authority, dominion or provincial, as the case may be.

And he adds:

The legislatures of the provinces are the authorities within whose competence the subject-matter of the draft convention lies and before whom such draft convention should be brought under the provisions of article 405 of the treaty of peace, for the enactment of legislation or any other action that may be deemed

proper. This, it is submitted, is the case, subject to the sole exception of the legislation respecting dominion works and undertakings, as will be explained in answer to question 4.

The subject-matter is evidently included in items 13 and 16 of section 92 of the British North America Act, inasmuch as the regulation of the hours of labour affects civil rights in the province and if confined to labour performed in a province would be a matter of merely local or private nature in the province.

This being so, the legislative jurisdiction of the province over the subject-matter must be exclusive and would not be overborne by any attempt on the part of the dominion parliament to legislate for the peace, order and good government of Canada, conferred by the first part of section 91, inasmuch as that power is only given in relation to matters not coming within the classes of subjects by the act assigned exclusively to the legislatures of the provinces. This point has been dealt with several times by the privy council, and it is only necessary to refer to the observations of Lord Haldane in the most recent case of Toronto Electric Commissioners versus Snider 1925, A.C., at pages 410-413.

As my right hon. friend is relying for the jurisdiction of this parliament, apart from article 23 and the labour part of the peace treaty, upon the residue power for peace, order and good government contained in section 91, I think it proper that I should read what section 91 says. The part of section 91 which concerns this matter reads as follows:

It shall be lawful for the Queen, by and with the advice and consent of the Senate and House of Commons, to make laws for the peace, order and good government of Canada, in relation to all matters not coming within the classes of subjects by this act assigned exclusively to the legislatures of the provinces.

As was stated by the privy council in the case of Snider of Toronto, this question of hours of labour is exclusively assigned to the legislatures by section 92, and cannot come under this part of section 91 regarding the residue of matters which may be dealt with by this parliament for peace, order and good government.

Now I come to the decision of the Supreme Court of Canada on the reference which was submitted to the court and to which my right hon. friend alluded this afternoon. It will be found in the Supreme court reports of 1925, page 505. I shall quote only the answer to the last question, because that is the one with which we are mainly concerned, dealing with the possible jurisdiction of the parliament of Canada in the matter. The question was:

If the subject-matter of the said draft convention be, in part only, within the competence of the legislatures of the provinces, then in what particular or particulars, or to what extent, is the subject-matter of the draft convention within the competence of the parliament of Canada?

To that fourth question the supreme court answered as follows:

The parliament of Canada has exclusive legislative authority in those parts of Canada not within the boundaries of any province, and also upon the subjects dealt with in the draft convention in relation to the servants of the dominion government.

That is the jurisdiction of Canada in the matter of hours of labour. Then how can section 132 of the British North America Act apply? If there is no obligation, as was stated this afternoon, on the part of Canada with regard to this convention, where is our jurisdiction? It is the obligation towards foreign powers which gives to parliament jurisdiction to deal with a matter of this kind when bound by treaty so to do. Where are we bound? Well, it is only necessary to read section 405 of the peace treaty to find out what obligation, if any, there is on the part of this parliament or of the dominion with regard to a draft convention. It is not even called a convention; it is a draft convention, or in French, un projet de convention. There is nothing final to it. It is something which is suggested to the various members of this international labour conference for the purpose of their calling it to the attention of the authority within whose competence the matter lies to take any action regarding it which they see fit. Even the competent authority is not bound in any way. It is only a draft convention, I repeat. Then how can it be said to constitute an obligation on the part of Canada giving to this parliament under section 132 of the British North America Act authority and jurisdiction to deal with the matter? It is clear that the countries are not bound by it. Over fifty nations are members of the international labour organization. I do not think there are seventeen at the present time which have approved or ratified that draft convention, and my hon. friend claims that it is an obligation binding upon Canada. Well, let us proceed.

We were bound, so far as the employees of the dominion are concerned, by the decision of the supreme court, and it had also always been the view of the law officers of the crown in that respect. And to give effect to this obligation P.C. 670, an order in council approved by the governor general on March 27, 1930, was laid on the table of the house on March 31, as you will find at page 1082-3 of Hansard. By this order in council the dominion extended to all employees of the

government of Canada the principle of the forty-eight hour week and of eight hours a day, and all the obligations by which Canada was bound were complied with when this order in council was passed by the government.

Under this administration—and this I wish to call particularly to the attention of the Minister of Justice—on February 17, 1932, at page 284 of Hansard, the then member for Kenora-Rainy River, Mr. Heenan, moved the following resolution:

Whereas, the Dominion of Canada is a signatory to the articles of peace of the treaties of Versailles, thereby subscribing to the principle of a maximum working day of eight hours: Therefore be it resolved that this house is of opinion that the government of Canada should take appropriate steps to ensure, throughout Canada, the fulfilment of our treaty obligations and conventions arising out of the peace treaty, relating to hours of work.

Mr. Heenan did not claim in his speech that this parliament had jurisdiction over the matter. He said:

In 1930, in order to carry out our treaty obligations, an order in council was passed, P.C. 670, putting all federal government employees who were working in excess of eight hours on an eight-hour day basis. On May 30 of the same year legislation was enacted, now known as chapter 20-21 of George V, placing all employees on government contracts or working at day labour on government work on the eight-hour day basis. My position in the matter is simply this, Mr. Speaker. I submit that the federal parliament having taken the mote out of its own eye, the federal government is now in a better position to approach the provincial governments with a view to having them enact legislation to carry out our treaty obligations. It will be seen, therefore, that this resolution simply calls upon the government of Canada to take appropriate steps to ensure throughout Canada the fulfilment of our treaty obligations with respect to hours of work. And I have no fear but that this house will unanimously adopt the resolution.

The Minister of Justice spoke for the government, as reported at page 286 of Hansard of the same day. He said:

The gist of the motion is that the government should take appropriate steps. As the motion was not carried during the last session of the house there were no steps to be taken, as a result of it. In fact the only steps that suggest themselves to my mind at the moment are those which were taken by the preceding government on four or five occasions, when the question was brought to the attention of the various provincial governments with the idea of enlisting their sympathies and having them pass the necessary provincial legislation to bring into force the provisions of the treaty of Versailles with respect to labour.

[Mr. Lapointe.]

In my judgment this parliament has done about all it can do in respect of that treaty. The hon. member for Kenora-Rainy River has given a brief resume of some of the steps which have been taken by this parliament to bring our national labour service into conformity with the requirements of that treaty, but fortunately or unfortunately the dominion powers are limited by our constitutional act; there are some matters which do not lie within our legislative jurisdiction and in connection with which we have no right whatever to legislate. One of these matters is the question of hours of labour, which is largely a provincial matter, and the most this government can do in regard to the general subject is to bring that question directly to the attention of the various provincial governments and request them to cooperate.

This has been done time and time again. It was not done directly after last session because the motion was not adopted by the house last session, but if this present motion is adopted the government will take steps without delay definitely to draw this matter to the attention of the various provincial governments.

Further on, the Minister of Justice made these observations, which I commend to the Prime Minister, who this afternoon took the view that Canada had not fulfilled most of its duties with regard to these conventions:

There is this further to be said in regard to Canada and the treaty of Versailles, and particularly with respect to the question of labour. While in Geneva last fall I had occasion to discuss the question with some of those who are better informed in regard to these matters than I am myself, and I was glad to learn that Canada was not lagging behind in regard to the provisions of that treaty. We were well in the forefront. I do not think any nation in the world has carried out all the provisions of that treaty. Some have done so to a much greater extent than others, but Canada's position is a very happy one in that respect. We have gone a much greater distance than many other nations perhaps more important in one aspect than Canada, and I felt very proud of the work that this dominion had accomplished.

My hon. friend said that his former opinions were expressed before the decision of the privy council was given. Well, the decision of the privy council in the aviation case, which is the one upon which my right hon. friend bases his argument—my right hon. friend shakes his head—

Mr. BENNETT: I said that the purport of the aviation decision was that section 132 governed. The radio case went further.

Mr. LAPOINTE: Would it surprise my right hon. friend to know that the radio case had been decided at the time?

Mr. BENNETT: When the Minister of Justice said that, yes.

Mr. LAPOINTE: The Minister of Justice spoke, as I have quoted his words, on February 17, 1932.

Mr. BENNETT: The decision was February 9.

Mr. LAPOINTE: The decision in the aviation case had been delivered by the privy council on October 22, 1931, a few months before, and the radio decision had been delivered on February 9, 1932. Both those judgments were rendered before my right hon. friend expressed his opinion as he did.

I have something which is even better than that. Even the right hon. gentleman took a long time to change his views after the decisions in the aviation and the radio cases. One of those decisions was given in 1931 and the other in February, 1932. Only a few months ago, when my right hon. friend left for Europe, he sent to all the provincial premiers a letter dated August 31, 1934, and that letter was made public by the then Acting Prime Minister, the hon. member for Argenteuil (Sir George Perley) on September 13 last. It was published in all the newspapers of Canada on September 14 last. What was the view of my right hon. friend at that time? He says now that the question of jurisdiction has been resolved in favour of this parliament. It was not resolved in September last, because my right hon. friend in his letter, having said that it was his purpose to call a conference of the provincial premiers when he returned from the old country, stated that he wanted to place upon the agenda certain matters, one of them being the following—it was second on the list:

> Are the provinces prepared to surrender their exclusive jurisdiction over legislation dealing with such social problems as old age pensions, unemployment and social insurance, hours and conditions for work, minimum wages, et cetera, to the dominion parliament? If so, on what terms and conditions?

Mr. McINTOSH: That was their stand.

Mr. LAPOINTE: Am I not right when I say that when my right hon. friend wrote that letter to the provincial premiers on August 31, 1934, he had not reached the conclusion that we could simply say: We have the power, the jurisdiction, and we are going to exercise it? He was then of the opinion that this was the exclusive jurisdiction of the provinces. If it was the exclusive jurisdiction of the provinces in September, 1934, it is just as much so in February, 1935, and it was so when my right hon. friend spoke over the air in January of this year. Those broadcast expressions of my right hon. friend, fine as they were, never had the effect of changing the constitution of Canada. They have not changed the constitution; the matter is still a provincial one, and if labour relies on the government's attitude for a new deal, I am afraid it will be a misdeal, because the proposed legislation will not have the validity which any parliamentary action concerning a matter so important should have.

My right hon. friend relies on the two decisions in regard to radio and aviation. Let me say first that the question of provincial jurisdiction in matters such as this has been decided by the privy council many times in such cases as the Board of Commerce Act, the fair prices act of 1929; Toronto Electric Commissioners and Snider in 1925, where the question of peace, order and good government was dealt with by the privy council. My right hon. friend says that there has been a change; that there had been a development going on with regard to our respective powers, our respective jurisdiction. Well, even at that time the question was discussed and debated with regard to aviation and radio, and the privy council delivered judgment confirming provincial jurisdiction in various matters. They did it in the fisheries case in 1929, with which the hon. member for Comox-Alberni (Mr. Neill) is well acquainted. They did it in connection with the Insurance Act in 1932, and I think the case is reported in the same volume of the appeal cases or the Dominion Law Reports where they decided in favour of the provinces. The only matter on which they based their decision was section 132 in both the aviation case and the radio case, but in both those cases there was no draft convention; there was a binding treaty on which the privy council based its decision. In regard to aerial navigation the treaty had been signed in 1920 with a large number of foreign powers, and my right hon. friend has read part of the judgment of the privy council. I desire to read a few words of it also as recorded on page 58:

> Their lordships do not think that aeronautics is a class of subject within property and civil rights in the provinces, although hereagain, ingenious arguments may show that some small part of it might be so included.

Surely that cannot be said about hours of work.

> Their lordships are of opinion that it is proper to take a broader view of the matter rather than to rely on forced analogies or piecemeal analysis. They consider the governing section to be section 132, which gives to the parliament and government of Canada all powers necessary and proper for performing the obligations towards foreign countries arising

under treaties between the empire and such foreign countries. As far as section 132 is concerned, their lordships are not aware of any decided case which is of assistance on the present occasion. It will be observed, however, from the very definite words of the section, that it is the parliament and government of Canada who are to have all powers necessary or proper for performing the obligations of Canada or any province thereof.

To sum up, having regard (a) to the terms of section 132; (b) to the terms of the convention which covers almost every conceivable matter relating to aerial navigation; and (c) to the fact that further legislative powers in relation to aerial navigation reside in the parliament of Canada by virtue of section 91 (2), (5) and (7), it would appear that substantially the whole field of legislation in regard to aerial navigation belongs to the dominion. There may be a small portion of the field which is not by virtue of specific words in the British North America Act vested in the dominion; but neither is it vested by specific words in the provinces. As to such small portion it appears to the board that it must necessarily belong to the dominion under its power to make laws for the peace, order and good government of Canada. Further their lordships are influenced by the facts that the subjects of aerial navigation and the fulfilment of Canadian obligations under section 132 are matters of national interest and importance; and that aerial navigation is a class of subject which has attained such dimensions as to affect the body politic of the dominion.

The decision in the radio case was given a few months afterwards, on February 9, 1932. There again it was to confirm a treaty; that is to say the legislation that was passed was passed in consequence of a treaty binding Canada, signed at Washington on November 25, 1927 by the representatives of all the powers which had taken part in the conference; and this convention was ratified by the Canadian government on July 12, 1928.

Mr. BENNETT: It was a convention, not a treaty.

Mr. LAPOINTE: It was a convention signed and binding and ratified, not a draft convention. There were, I think, eighteen obligations in the treaty which Canada had to fulfil. The idea pervading that judgment is that the whole subject of aeronautics is so completely covered by the treaty ratified between the nations that there is not enough left to give a separate field to the provinces as regards that subject. But let me say this: the law officers of the crown, while they were giving their opinion that the hours of work were under provincial jurisdiction, and never had any doubt in the matter, always claimed that radio and aviation were federal matters. They always made a clear distinction as between these two matters and matters which come so clearly under property and civil rights, one of the classes of subjects which are exclusively provincial.

I said this afternoon that this question of the forty-eight hour week is not such a burning question at the present time. It was such a question in 1919, but almost everywhere the forty-eight hour week of labour has been adopted. Canadian labour, as well as labour in the other countries, is no longer claiming the forty-eight hour week; they are asking for forty hours.

Mr. HEAPS: No, thirty hours.

Mr. LAPOINTE: Well, I did not think my hon. friend was going as far as that. But I know that all the representatives of labour at the last international labour conference in Geneva insisted on a new draft convention of forty hours a week. And the draft convention had been prepared. There had even been a preliminary conference about it, called the tri-partite conference, I think, in 1933, which had made a very interesting report on the matter and which had drafted a projected convention to be adopted by the international conference which was to take place last year. The draft convention was adopted in the committee, but when it came before the whole conference most of the delegates of the governments mysteriously disappeared; they were not there to vote, and although the draft convention carried by a pretty good majority there was not a sufficient quorum under the rules of the international labour conference to give validity to it. I was interested in reading in the record of the proceedings of that conference of 1934, on page 338, the remarks of Canada's delegate, who had been one of those absent when the vote was taken. There was a demand for an adjournment, and Doctor Riddell said:

> I rise to support the proposal of Mr. Martens for an adjournment. In connection with his statement, I might be permitted a word in explanation of our vote on article 1. The government of Canada is a federal government. The Supreme Court of Canada has declared that the question of hours is a provincial matter. The provinces have stated in their replies to the questionnaire that the office draft did not offer sufficient flexibility for them to aprove of the adoption of that draft. The amended draft went still further; therefore we had no option but to abstain.

So even the representatives of Canada, speaking for Canada at the international labour conference, were giving as a reason

for their line of action at the last international labour conference the fact that under the constitution of Canada hours of work are a matter of provincial jurisdiction.

Mr. HEAPS: If I may ask a question, who was the representative who took that stand at the Geneva conference?

Mr. LAPOINTE: Doctor Riddell.

Mr. HEAPS: He was a government representative?

Mr. LAPOINTE: Yes.

Mr. HEAPS: Acting under government instructions?

Mr. LAPOINTE: I suppose so.

Mr. BENNETT: No, he is the permanent representative at Geneva. He was not instructed.

Mr. LAPOINTE: I have been a delegate of Canada to various conferences at Geneva, both constitutional and as to labour matters, and as a delegate I would not have taken a stand like this without first asking for instructions from the government I represented; that is all I can say.

Now I was saying that this forty hour week of labour is not a very radical thing at the present time. I have heard it said occasionall that my own province of Quebec is sometimes backward in matters of labour legislation. That of course is not correct; for Quebec has led in many respects with regard to labour legislation. But may I call the attention of the house to an act respecting the limiting of working hours, passed by the Quebec legislature in 1933, 23 George V, chapter 40, which gives to the lieutenant governor in council the right to order the number of hours per week or per day during which a workman employed in manual labour may work; and in no case should the number of working hours be less than six per day or thirty-three per week, so that as far as possible employment might be assured for two or more crews of workmen employed at the same work. There have been proclamations under this act. On July 14, 1933, the building industry, comprising the building, repairing and demolishing of buildings of every kind, and covering especially the men employed as bricklayers, carpenters, joiners, cement finishers, roofers and so on, were all brought under this act. From and after July 1, 1933, the duration of effective labour in the building industry within the limits of the Montreal division should not exceed eight hours per day and the total hours of effective labour in the course of a single week should not in any case exceed forty, eight hours less than is proposed under this draft convention. Other trades and occupations since have been brought under the operations of that law, so this is not such a great discovery.

Mr. HEAPS: That has not been applied to the textile industry?

Mr. LAPOINTE: I do not think so, but it should be. I am quite willing to agree with my hon. friend in that regard, and to say that it should apply to the textile industry as well.

I have spoken at greater length than I had intended, Mr. Speaker, and I do not know that I have anything to add except this: My hon. friend from East Hamilton (Mr. Mitchell), who is a good friend of mine, became very enthusiastic this afternoon over this great change, with the parliament of the dominion assuming jurisdiction with regard to draft conventions of the international labour conference. The other day I heard my hon. friend from North Winnipeg (Mr. Heaps) express himself as being very much pleased, when the resolution in connection with unemployment insurance was under discussion, because at last the parliament of Canada was assuming jurisdiction in the matter. May I tell my hon. friends that the assumption of jurisdiction does not create it. I believe they respect the constitution as much as I do, and may I tell them that the safeguards and protections in the constitution are more important to the labour people than they are to those who employ them. The safeguards in the constitution are more important to the minorities than they are to the majorities. They are more important to the poor than to the wealthy, because the wealthy always find a way to protect themselves. So when there is such an obvious encroachment as this on the powers of the provinces under the constitution I say that my hon. friends may be ill advised to be pleased that parliament should go beyond and over the constitution. I think those who have at heart the progress of labour legislation, those who want reforms as much as my right hon. friend does, will think it better to achieve those reforms in a valid way. There should be no loopholes left. No one will receive anything if labour is given not an instrument which is legal and valid, but something which is against the constitution and which will not stand in our courts.

I see that my right hon. friend has given notice of a bill to enforce this provision. I sincerely hope that before this bill becomes part of the statutes of Canada the jurisdiction of this parliament will be ascertained, or at

least that there will be some understanding and agreement with the provinces, whom my right hon. friend wanted to meet last September because of their exclusive jurisdiction in the matter, so that good and valid legislation may be placed on the statute books of Canada regarding hours of labour and other progressive labour legislation, which I am quite willing to support.

Hon. HUGH GUTHRIE (Minister of Justice): Mr. Speaker, I think in all parts of the house there will be absolute agreement that since the two decisions of the judicial committee of the privy council which we know as the aviation and radio cases the constitutional atmosphere has been a good deal clarified in regard to the jurisdiction of this parliament and of the provincial legislatures in Canada. I had occasion once before, during the present session of this house, to discuss for a few moments some of the constitutional difficulties which have heretofore confronted us in the Dominion of Canada in regard to our constitutional act, and there is no doubt that until the decisions in the two cases I have just named there was considerable conflict of judicial opinion, in regard to many difficult and intricate questions under sections 91 and 92 of the British North America Act.

My hon. friend from Quebec East (Mr. Lapointe) laboured for some time in an effort to distinguish those two cases, the aviation and radio cases, from the question dealt with in the resolution before the house. He has most fervently advanced the theory that in the aviation and radio cases Canada was bound by positive treaties and conventions. That is true, and the resolution before parliament to-day is the first step in bringing about another binding international convention, just as binding as the radio convention or the aviation treaty, which came about through the treaty of Versailles. My hon. friend from Quebec East must remember that the government now proposes, by this resolution, to adopt and eventually ratify the draft labour convention drawn up in Washington in 1919.

Reference has been made to opinions which I have hitherto expressed in regard to provincial jurisdiction in respect of hours of labour and, I think also in regard to minimum wages. Under the circumstances which existed at the time, I was correct in the views I expressed and I would not alter the opinions which I expressed on those occasions. I stick to them yet; they were right. There was no treaty or convention under consideration; there was no proposal to ratify a treaty or convention at that time. The resolution now before the house proposes the approval of a convention which makes an entirely different problem. In 1924 when I expressed myself in regard to hours of labour nothing had been done towards the adoption of the draft convention which came to us from Washington in 1919. It was an academic question we were discussing; the opinion I then presented to the house was a correct opinion, and I stand by it to-day. When I spoke in 1932—and by the way, let me interject at this point that when I spoke on February 9 to the motion moved by Mr. Heenan in regard to minimum wages—

Mr. LAPOINTE: No, the eight hour day

Mr. GUTHRIE: Well, the same point was involved. When I spoke at that time I spoke without knowledge of the decisions of the judicial committee of the privy council in the two cases referred to. I think the hon. member for Quebec East at that time had no knowledge of them either.

Mr. LAPOINTE: Yes, I had.

Mr. GUTHRIE: We get newspaper and telegraphic reports that an appeal has been allowed or an appeal has been dismissed, together with a brief summary, but the report of the case does not reach Canada until months afterwards. The information came in the report of appeal cases for the year 1932, and arrived here in mid-summer.

Mr. LAPOINTE: Is it not true that the Department of Justice receives copies of judgments long before the reports are issued?

Mr. GUTHRIE: Not much before. We do receive them as a rule within six to eight weeks.

Mr. LAPOINTE: I was there too. I know.

Mr. GUTHRIE: The radio case was, I think, decided just five or six days after I had spoken in the house. However, that is beside the point. I am now basing my opinion upon the fact that we propose to ratify this draft convention. The object of the resolution is to enable us to do so, and if the convention be ratified, as I assume it will be, then I submit that under our treaty making power in our constitutional act we have undoubtedly authority to pass the necessary legislation. If we do not intend to ratify the convention, and if it is merely to remain a dead letter as it has remained since 1919, then the opinions I expressed in the house in 1924 and 1934 I still hold. I believe they were correct. I place the question squarely before the house under section 132 of the British North America Act, and I have no hesitation in asserting jurisdiction for this parliament under that section.

But it is not only upon that ground that jurisdiction may be claimed for the parliament of Canada in regard to this resolution. There is the matter of the regulation of trade and commerce within the dominion, and the matter of foreign trade. There is the establishment of equilibrium in matters of trade between the various provinces of the dominion. There can be little doubt that in all interprovincial trade and in all foreign trade this parliament has exclusive jurisdiction. I say on that among other grounds this legislation is justified, but in the meantime I am placing the matter before the house, so far as my opinion may carry weight, solely upon the ground of our constitutional right to bind the provinces and bind Canada under the authority of section 132 of the British North America Act.

Mr. A. A. HEAPS (North Winnipeg): Mr. Speaker, this afternoon we have listened to the observations of three of the most eminent legal gentlemen in the Dominion of Canada. As an ordinary layman I can speak with very little knowledge or authority on constitutional questions; my understanding of them is limited. I did however upon one occasion have some practice in criminal law. In the year 1919, to which reference has been made so often to-day, along with six other persons I stood at the bar of justice, and while there I got a little insight into criminal proceedings. For reasons I do not desire now to explain I defended my own case, acting as my own lawyer. Most of the accused had the benefit of legal counsel. All those who had legal counsel were found guilty. Some few weeks after the trial I met the late Judge Metcalfe, whom some hon. members would know, and discussing the case he said, "Heaps, it is a good thing for you that you had no lawyer defending you; if you had you would have gone to gaol along with the rest." So when it comes to questions of lawyers and legal opinions I am sometimes sceptical of the luminaries and the stacks of books and precedents brought forward in an effort to seek something from the musty past and to adjust it to modern conditions.

I was deeply interested in the splendid presentation of the case by the former Minister of Justice (Mr. Lapointe). I sincerely hope and trust that when he speaks about a forty hour week, or a week even shorter than that, he speaks for his party particularly in the province of Quebec. Next week when the government introduces the bill providing for a forty-eight hour week I am sure he, along with other hon. members, will have an opportunity to vote for a shorter working week than at present obtains, and that it be provided for in the bill. I sincerely hope we shall be able to cooperate in asking for a thirty hour week, or as a compromise a thirty-four hour week. I hope such a proposal will have his support and the support of many other hon. members.

An hon. MEMBER: Why work at all?

Mr. HEAPS: To-day we have heard about the radio and aviation cases, but I believe there is a case which is more important than those, namely, the case of the millions of Canadian people who are to-day looking for remedial measures and a way out of the difficulties in which they find themselves. Of course we realize the importance of our constitution and the British North America Act. At this point may I say, along with the former Minister of Justice, that I am as much prepared as he is to respect the rights of minorities, and particularly those in his own province. I will go as far as he goes in defending the rights of the people in his province. I believe a discussion of the needs of the people of Canada is of greater importance than a discussion of the British North America Act.

It has been pointed out this afternoon that the opinions of legal luminaries change with changing conditions, and I believe it was pointed out further that a recent judicial decision had changed one which had been given formerly, and made legal that which was formerly illegal. For two reasons I am pleased that the government has seen fit to bring in this legislation. First of all, assuming the legislation is legal, it will give centralized authority in the dominion, so far as hours of labour are concerned. There can be no doubt that centralized authority is essential, if we are to have anything approaching harmonious understanding between the Canadian provinces. For instance, we cannot have men and women in one part of the dominion working fifty or sixty hours a week and in another part, in similar industries, working only forty-four hours. Only this morning I received a communication which I have forwarded to the proper minister. It contained the information that a dominion contract has been called for. A western manufacturer complains that in certain eastern factories employees are working for wages as low as twenty cents an hour, whereas in the western provinces the wages are twenty-five to thirty per cent higher. Naturally we cannot have such a condition of affairs continue in the Dominion of Canada.

Then I am glad for another reason, Mr. Speaker, that legislation of this character is introduced. It shows that this parliament is beginning to recognize that the limitation of

working hours is essential so far as Canada is concerned. This is the first time, I believe, that parliament has gone on record through legislation dealing with a maximum working week; it is the first recognition by parliament that such a limitation of working hours is in the best interests of the Dominion of Canada.

My good friend the former Minister of Justice spoke of labour and a new deal, and then he brought in the constitution. In other words, Mr. Speaker, the implication is that the British North America Act is of greater consequence, of more importance to the people of this dominion than a new deal. I am not for one moment arguing whether what the government is proposing is a good thing or a bad thing. Personally I am inclined very much to the opinion of the former Minister of Justice. I do not think that a forty-eight hour week begins to touch the situation, so far as the hours of labour are concerned in this dominion. Nevertheless it is a recognition of certain principles, and because of that we are compelled to support the resolution and the bill which will be brought before the house. But when my hon. friend the former Minister of Justice speaks of a new deal, and then at once throws in its way all the constitutional difficulties he can possibly think of, I would ask how are we ever going to get a new deal if we are always to put the constitution ahead of it? In other words, we can never have a new deal unless, as I have said before, we recognize that the British North America Act was made for the people of Canada and not the people of Canada for the British North America Act.

Mr. LAPOINTE: I am sure my hon. friend does not wish to misinterpret me.

Mr. HEAPS: I certainly do not.

Mr. LAPOINTE: If he will allow me, what I said, and what I still say, is that this should be done but that it should be done in a proper and constitutional way. I am not throwing the constitution in the way. I said that we should make the necessary amendments or come to the necessary understanding. The thing will be better if it is well done.

Mr. HEAPS: Yes. It is only a question of interpretation of the powers of parliament, and I suggest that perhaps the lawyers who have considered this legislation have given it just as much consideration as my hon. friend who has just taken his seat. Legal gentlemen may not agree upon a certain interpretation, but the members of the government feel that what they are doing is the right and proper way to proceed, and I am glad they are taking hold of the situation in the way they are; let those who oppose this form of legislation come out in the open and say they oppose it.

We talk about the rights of parliament and the sovereignty of the constitution, but when we speak of sovereignty one thing that should not be forgotten is the sovereignty of the people. The sovereignty of the people should be supreme. So in matters of this kind, while I respect the constitution and want to see things done in a constitutional way, I say we cannot ignore the demands of the people of the Dominion of Canada; for if we allow our constitution to be so rigid and inflexible, it will break down and cause no end of chaos in this dominion. To-day we find that there are representations from all sections of the country and from every shade of opinion in the country to the effect that the rights which the government are taking upon themselves at the present time should be exercised by this parliament, and that such questions as hours of labour and a minimum wage should be and probably are a matter of federal right instead of provincial.

My hon. friend from Quebec East read from certain laws that have recently been passed in the province of Quebec relating to the building industry and a forty hour week. I am glad that the province of Quebec has recognized a forty hour week, and in a sense I approve of that legislation. The reason no doubt they made it a forty hour instead of a forty-eight hour week in the building industry in the province of Quebec was that the men were not even working a ten hour week on the average, and so nobody was hurt by that legislation. But I venture to assert that the province of Quebec did not bring in any legislation providing for a forty hour week in those industries in which at the very moment we are sitting here employees are working fifty-five and sixty hours a week—such industries and trades, for instance, as have been investigated during the past few months. What conditions were found in those industries? Girls were working fifty-five and sixty hours a week; and in the whole of the province of Quebec I think the information came out that they had only one or two inspectors to enforce some of these laws. It is one thing to have laws on the statute books, but it is another thing when it comes to enforcing them. If laws of this kind are to be made effective it can be done only when you have not the competition that exists to-day as between province and province only when the whole matter is dealt with uniformly right across the dominion. If we have power to put this legislation into effect I hope that the laws that we pass will be strictly enforced

by the proper authorities. But if we are going to allow the judiciary, as has been suggested, to interpret at all times what the laws really are and what the constitution of the country is, who is going to be sovereign in this Dominion of Canada? Is it to be parliament and the people, or is it to be the judiciary as it is in the United States? I for one would hate to see this country put in the same position as the United States where if a certain law is not liked by a group of individuals it has to go before the supreme court of the United States for—shall I say?—its endorsation; and in reality it is the supreme court of the United States which in the final analysis dictates what the laws are that are passed by congress. Personally I want to see this parliament supreme and representing the people. I do not like the judiciary interpreting the law too much. In fact, I do not like them at all when it comes to a question of interpreting the law. I would rather see that left to parliament to deal with, as it is in Great Britain. You do not see a great many judicial interpretations of the law in Great Britain.

I had not intended to speak on this question at all, Mr. Speaker, and I was prompted to do so only by what was said by the former Minister of Justice. However, I am extremely glad that this legislation is being brought down, because as I said when the resolution on unemployment insurance was before the house last week, I attach far more importance to the shorter working day and increased wages than to the bill dealing with unemployment insurance. I do not regard the forty-eight hour week as a panacea for any of the problems which are facing us at the present time, but if the forty-eight hour week is reduced to about a thirty hour week we shall be going a long way towards solving some of the difficulties through which this country is passing at the present time. I am glad to give this legislation my endorsation. A great many things have happened since 1919, and to-day when the house is being asked to approve of a forty-eight hour week I may say that the forty-eight hour week or the eight hour day is as obsolete in 1935 as the twelve hour day was in 1919. I hope that when the measure is brought down dealing with the forty-eight hour week, amendments will be permitted looking towards a shorter working day and a shorter working week, and that such amendments will receive the sympathetic consideration of this House of Commons.

Right Hon. W. L. MACKENZIE KING (Leader of the Opposition): Mr. Speaker, in view of the length of the discussion and the wide range it has necessarily taken, it may be well to remind the house that what we have before us at the moment is not a bill providing for an eight hour day, of which the Prime Minister (Mr. Bennett) has given notice, but a draft convention of the general conference of the international labour organization. It is that draft convention which this house is being asked to approve. I will read the resolution so that it will be clear in the minds of all present:

> That, it is expedient that parliament do approve of the convention limiting the hours of work in industrial undertakings to eight in the day and forty-eight in the week adopted as a draft convention by the general conference of the international labour organization of the League of Nations at its first session in Washington on the 28th day of November, 1919, reading as follows:

This afternoon we approved of four draft conventions of the international labour organization. We have approved of all of them in the light of what we believe to be the legislative competence of this parliament, and we have approved of them to the extent of that competence. We on this side are prepared to approve of the draft convention now before us with respect to hours of labour in exactly the same way and on exactly the same terms. We approve of the draft convention so far as the legislative competence of this parliament permits us to do so, in other words in so far as the jurisdiction of this parliament is concerned.

There is one thing above all else which is important in this as in all matters of public relations and human affairs, and that is for us to be at least honest with ourselves as members of parliament, honest with those whom we represent, and particularly as members desirous of promoting social reform to be honest with those whose interest we hope to be able to further by any action we may take in this parliament. There come to my mind in this connection the words of the ex-Minister of Justice, my hon. friend from Quebec East (Mr. Lapointe), when he said that an assumption of jurisdiction does not create jurisdiction. I think it is important that we should all remember that. I might change the word "assumption" to the word "assertion" and say that an assertion of jurisdiction does not confer jurisdiction. Nor does the assertion of legislative competence confer legislative competence, even if that assertion is made by the present Minister of Justice or by the Prime Minister; that does not make the least bit of difference. Legislative competence is either here or it is not here, and when the matter comes to be decided it will be decided by that branch of government which exists for the purpose of settling questions of legislative competence. The Prime

Minister has repeatedly and most emphatically said that of the different branches of government he regards the judicial as the most important, and he has given as his reason for that opinion the fact that the judicial branch is the one that determines these very questions of legislative competence. So that whatever we do here is done in the light of what we believe to be our legislative competence. If I believed that the courts of the land when the competence of any of this legislation came to be decided were going to present a certain point of view, I should feel it my duty to bring that fact to the attention of those who are interested in the legislation. And as leader of the opposition in parliament it is part of my duty with respect to the legislation which has been introduced to point out any feature which is likely at present to be misunderstood or to which exception later is likely to be taken. I should be very much remiss in my duty as leader of the opposition if I did not reemphasize what has been so ably said this afternoon by my colleague, the ex-Minister of Justice, with reference to jurisdiction, if I did not reemphasize what has already been given as the opinion of all ministers of justice who have held office in this country since the League of Nations was created, as well as the opinion which have been given by the Supreme Court of Canada. I need not say more than that.

I should perhaps point out to my hon. friend from North Winnipeg (Mr. Heaps), who has just spoken, that I entirely agree with him when he urges the desirability of uniformity in legislation as between the provinces and as between the dominion and the provinces. Unquestionably uniformity of labour standards is something to be desired, and it is to be desired not in the field of Canada alone, because the whole purpose of these conventions is to bring about uniformity so far as may be possible throughout the world. It is not going to help Canada, as much as we should like to see her helped, for her to have the best standards, though they may be uniform, if other countries have lower standards. Unfortunately, as my hon. friend knows better than anyone else perhaps, where there are two standards competing with each other the baser of the two is apt to prevail in the long run. It has therefore been the hope of those interested in labour matters at Geneva that they would be able to bring about such uniformity of laws that those countries with high standards would not suffer by reason of their virtue and that the mean country would not profit in virtue of its meanness. That is the whole purpose underlying uniformity. But there are two ways of bringing uniformity about.

I think the tragedy of this parliament has been that though we have been here through five sessions at a time when labour matters were to the fore and when the provinces as well as the dominion were all in a mood to work together for improving industrial conditions, there has been no conference between the provinces and the dominion that amounted to anything with respect to labour legislation. Two or three conferences have been called but they have been over night affairs; representatives of the provincial governments have come here from the different provinces to discuss certain measures and on their arrival they have been asked by the ministry what their views were with regard to certain questions, without the ministry telling them anything about its views. With respect to this very question of the hours of labour there was a conference no more recently than two years ago, and when the representatives from all the different provinces came the question was: which of your rights are you prepared to give up? We wish to know that before we proceed any further. That was the substance of the remarks addressed to them by the Prime Minister himself.

Mr. BENNETT: That was in the letter of last fall, but they did not meet.

Mr. MACKENZIE KING: Yes, but I am referring to the conference prior to that; the same thing occurred at the conference. They were asked what they were prepared to surrender. Some were quite prepared to surrender certain of their rights but they wanted a quid pro quo; they wished to know in the taking over of services who was going to foot the bill. Others were not prepared to surrender anything and no decision was reached. Had a real effort been made during these five years to bring into conference the different provinces of the dominion with a view to securing uniformity with respect to the shortening of the working day, there would not have been any trouble in attaining that end, and we should now have had an eight hour day and a forty-eight hour week effective in the various trades from one end of Canada to the other.

May I point out further that, as the ex-Minister of Justice said, there are different ways of going about things. We are living under a parliamentary system of government. Whatever we may be in the course of the

next year, we are at present not a full-fledged dictatorship. The method by which we have hoped—some of us at least—to effect reforms in this country for some time to come is the parliamentary method. It would be an unhappy day for labour in this country if it ever began to hope for its reforms from a dictatorship. They might seemingly gain something until they themselves became members of the servile state. Once members of the servile state they would soon find out where they stood under a system of regimentation, with a dictator at the head of affairs. So long as we have a parliamentary system of government, a constitution which governs the country, there should be observance of the proper methods of procedure with respect to effecting any changes that may be necessary. Therein lies the second great tragedy, it seems to me, of this parliament's failure to proceed as it might have done in these matters. If there had been a conference, as it was repeatedly suggested from this side there should be, to consider this very question of jurisdiction, this very question of amendments to the British North America Act, what would appear to be necessary in the way of amendments to the act might have been known at least four years ago and steps could long ago have been taken to have the act amended wherein it may be necessary to amend it. Had that been done, we would not have had to-day to wait for what amendments may be necessary to the British North America Act to effect certain purposes much to be desired, for agreement between the provinces and the dominion to effect a desired result; all that would have been settled long before this.

The hon. member for Winnipeg North Centre (Mr. Woodsworth) has been one of those who along with hon. members of the opposition have urged upon the government during each of the past five sessions that the provinces be called into conference with a view to taking steps at once to have the British North America Act so amended as to give us power in these social matters to legislate as may be necessary. But his appeals and those from this side have fallen on deaf ears. Unfortunate as this may be, we have to look the facts in the face. The mere making of assertions as to what is or is not to be does not meet the situation in any way that can be at all helpful. It may help to serve the purposes of a general election, although I do not believe it will even do that. But a very serious situation for labour and the country will arise if the legislation which we are passing in this parliament dealing with great social problems should all of a sudden come to naught because of the fact that instead of building our house upon a rock we are building it upon sand, and instead of building upon truth we are building upon error. Some of us want to avoid that kind of situation. We wish to see these reforms put through, but on a solid, enduring and truthful basis; and it is on that ground alone that we are prepared to support them.

As to the eight hour day and the approval of this house, I imagine there are some hon. members who have forgotten and probably some who never knew that as long ago as 1910 this house approved the principle of the eight hour day. We had in the parliament of 1908 to 1911 Mr. Alphonse Verville, of the city of Montreal, who like my hon. friend was a representative of labour. Mr. Verville brought in on one or two occasions a bill for an eight hour day with respect to public works and undertakings of the federal government. His bill for one reason or another did not get support the first year or two, but may I say that when I had the honour of being taken into Sir Wilfrid Laurier's cabinet as Minister of Labour and Mr. Verville reintroduced his bill, I moved in the house that the bill should be referred to a special committee to deal with the question of hours of labour on public works. I was subsequently elected chairman of that committee, and I have in my hand a copy of the report of its proceedings: proceedings of the special committee on Bill No. 21, an act respecting hours of labour on public works, comprising reports, evidence and correspondence, December 9, 1909, to May 3, 1910. This, as one may see, is a voluminous compendium, comprising between 700 and 800 pages, but as I recall the matter, and as the proceedings record, we had not concluded the taking of evidence at the end of that session. Next session, when Mr. Verville reintroduced his bill, instead of having the committee go over the matter further, the House of Commons passed the bill through its different stages. I supported it very strongly, maintaining the principle of an eight hour day for labour on all federal government undertakings or on whatever might come within the legislative competence of this parliament. As I have said, the bill passed the House of Commons. Therefore this house approved the eight hour day principle at that time. The bill went to the Senate; it passed its first reading and its second reading there, so that the Senate approved the principle of the eight hour day. After second reading in the Senate the bill

was referred to a committee. As happened in respect to another measure of which I spoke this afternoon, dissolution took place suddenly on the reciprocity issue before a report had been made by the Senate committee, and the legislation was not enacted at that time. But as a result of the discussion and of the action taken then, the government from that time on—I am speaking now of Liberal administrations, although I think the same is true of the administration that followed that of Sir Wilfrid Laurier—construed the fair wages resolution which had been passed by this house, and which related to wages and hours on government work, as one which should fix as a maximum number of hours for work, the eight hour day. I speak subject to correction, but my impression is that the Labour department gave that construction to what was meant by a fair day's work—an eight hour day—and the schedules that were attached to the various contracts fixed the day at eight hours.

Mr. BENNETT: Not until later.

Mr. MACKENZIE KING: The Prime Minister says: "Not until later." He may be right, because as all hon. members know, after 1911 we passed to the decade which was the period of the war, and certainly during the war it may well be that in some cases longer hours were permitted. But after the war I think the eight hour day principle was pretty generally observed. At any rate I can speak for the administration of which I was the head from 1921 to 1930. Throughout that time the Labour department felt itself bound by the fair wages resolution as we interpreted it and by orders in council as we passed them, to give effect to the eight hour day with respect to government work. As has been referred to this afternoon by the ex-Minister of Justice, our government did not stop at public works and undertakings—and it will be noticed that this draft convention relates to industrial undertakings—the government took in the public service generally in its endeavour to further the principle of the eight hour day. I think I should read the order in council that was passed. It was referred to by the ex-Minister of Justice, but I think it should be placed on record in full because it shows to what extent the late Liberal administration at any rate was prepared to support the eight hour day principle generally. It is P.C. 670, approved by the governor general on March 27, 1930, and was laid on the table of the house on March 31, 1930, as reported on pages 1082 and 1083 of Hansard:

[Mr. Mackenzie King.]

The committee of the privy council have had before them a report, dated 19th March, 1930, from the Minister of Labour, submitting as follows.

May I say that this and one other order in council summed up what there had been in the form of regulations during the previous years and put them in the form of formal orders in council.

1. That it was recognized in the labour part of the treaty of Versailles and the corresponding provisions of the other treaties of peace, that the wellbeing—physical, moral and intellectual—of industrial wage earners is of supreme international importance, and that although differences of climate, habits and customs, economic principles and industrial traditions, make strict uniformity in the conditions of labour difficult of immediate attainment, there are methods and principles for regulating labour conditions which all industrial communities should endeavour to apply, so far as their special circumstances will permit.

2. That approval was expressed in the peace treaties of the principle of the eight hour working day.

3. That a draft convention was adopted at the first session of the conference of the international labour organization (League of Nations) in 1919 to limit hours of work in industrial undertakings to eight hours per day.

4. That the draft convention above mentioned was referred in 1924 to the select standing committee on industrial and international relations of the House of Commons of Canada for examination and report.

5. That on the recommendation of the committee on industrial and international relations of the House of Commons, approved by the House of Commons, the draft convention on hours of work in industrial undertakings was referred by order in council to the Supreme Court of Canada with a view to determining the jurisdiction of the federal and provincial authorities, respectively, on this subject.

May I point out that this is the very draft convention which is before us at the present time. It was referred to a select committee of the house, and the committee, of which I think my hon. friend was a member, on which at any rate all parties in this house were represented, were unanimous in their decision that the matter should be referred to the supreme court for an opinion. And the members were unanimous as well in their approval of the principle of the eight hour day. So again this house approved in that manner the principle of the eight hour day. The order in council continues:

6. That the judgment of the Supreme Court of Canada contained the following declaration: "The subject matter is generally within the competence of the legislatures of the provinces but the authority vested in these legislatures does not enable them to give the force of law to provisions such as those contained in the draft convention in relation to servants of the dominion government, or to legislate for those parts of Canada which are not within the boundaries of a province."

7. That a report from the Civil Service Commission, which was submitted to Your Excellency in Council under date of February 16, 1925, showed that the standard daily hours of work of monthly rate employees in the government department are from 9 a.m. to 5 p.m., with an interval for luncheon and a half-holiday on Saturday, and that the standard hours of prevailing rate employees, numbering 1,576 in Ottawa and 18,264 outside Ottawa (of whom 12,247 were postmasters paid on percentage basis), are 44 hours per week, based on an eight hour day for five days, and 4 hours, or a half day, on Saturday. Certain exceptions to these standard hours of work were also noted in the report of the Civil Service Commission.

8. That request has been made to the government for the granting of the eight hour day to its own employees.

9. That it is desirable that the principle of the eight hour day should be applied to any branches of the public service of Canada in which it is not now observed.

The minister accordingly recommends that, except in cases where the work of employees is intermittent in character, or the application of this rule is not deemed to be practicable or in the public interest, the hours of work of any employees of the dominion government who are still required to work more than eight hours daily be reduced to eight hours daily, with a half holiday on Saturday.

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

E. J. Lemaire,
Clerk of the Privy Council.

That order in council was approved, and as I have pointed out it extends the principle to the public service as set forth in its provisions.

But the late Liberal administration did not stop there. One of the last measures that was enacted before we went out of office was the passing of an eight hour day act. I have in my hand the text of the measure;

An act respecting fair wages and an eight hour day for labour employed on public works of the Dominion of Canada.

1. This act may be cited as The Fair Wages and Eight Hour Day Act, 1930.

2. In this act the expression "minister" means the Minister of Labour.

3. (1) Every contract made hereafter with the government of Canada for construction, remodelling, repair or demolition of any work shall be subject to the following conditions respecting wages and hours:

(a) All persons in the employ of the contractor, sub-contractor, or of any other person doing or contracting to do the whole or any part of the work contemplated by the contract shall be paid such wages as are generally accepted as current from time to time for competent workmen in the district in which the work is being performed for the character or class of work in which they are respectively engaged; provided that wages shall in all cases be such as are fair and reasonable;

(b) the working hours of persons while so employed shall not exceed eight hours per day except in such special cases as the governor in council may otherwise provide, or except in cases of emergency, as may be approved by the minister.

Then there are other particulars which help to make more definite that provision, and there is one which says;

The governor in council, on the recommendation of the minister, may make regulations with regard to wages and hours herein provided for and without limiting the generality of the foregoing may provide by regulation for—

And a series of provisions or sections are set out all of which are intended to ensure the carrying out of the letter as well as the spirit of that legislation.

So I may sum up by saying that as long ago as 1910, this House of Commons approved the principle of an eight hour day to the extent of its legislative competence and authority; that again by its interpretation of the resolution respecting the payment of fair wages and the application of hours and fair conditions in connection with public works it has approved it, and that by order in council and by legislation, as I have already stated, it has approved it. So far, therefore, as this resolution is concerned as it comes to this parliament from Geneva via the government, in the light of orders in council read this afternoon, which still stand, because they have not been repealed, I think this house should have no difficulty whatever in approving the draft convention. Certainly those of us who belong to the Liberal party are only too ready to approve it in those terms.

Mr. ANGUS MacINNIS (Vancouver South): Listening to this discussion reminded me of the story told about Galileo, who, tortured on the rack for saying that the world moves, recanted, but in an aside said that it moves for all that. I am inclined to agree with Galileo, that the world does move. The right hon. gentleman who has just taken his seat (Mr. Mackenzie King) stated that his government began the agitation for the eight hour day in 1910. In 1919 the international labour organization took it up, and now almost sixteen years later it has come up here for approval. Surely we are making progress! As the right hon. gentleman said, I cannot see at the moment what particular useful purpose our approval can serve, unless it be for election purposes. But I noticed, when he was telling us of the achievements of the Liberal government, that the order in council he read was passed on March 27, 1930, just a short time before the dissolution of parliament. So I presume that the present government has learned something from the government that preceded them.

The eight hour day is obsolete to-day. I have before me the legislative program of the Trades and Labour Congress of Canada placed

before the Prime Minister (Mr. Bennett) and members of the cabinet in 1932. In the paragraph referring to hours of labour I find this:

For the past ten years requests have been submitted seeking compliance by Canada with the eight hour day convention of the international labour office.

Then it goes on to point out that this has been submitted to the Supreme Court of Canada for decision. Now for ten years, that is ever since 1922 when the Liberal party came into office, the Trades and Labour Congress of Canada have been trying to have this convention approved. There is no reason why we should oppose this resolution, but unless we do something more than just approve we are not doing anything. For the last four or five years the Trades and Labour Congress of Canada at their conventions have gone on record in favour not of the eight hour day and the forty-eight hour week but of the six hour day and five day week, which as a matter of fact has been adopted already in some instances. If we are going to put the unemployed workers of this country back at work; if the unemployed workers in all the industrial countries of the world are to be employed again, we will have to go further, possibly, than the six hour day and five day week.

Looking in this direction the right hon. leader of the opposition stated that labour had nothing to gain from a dictatorship. I should like to point out to the right hon. gentleman that if and when a dictatorship comes in this country it is far more likely to come through the owning classes than through the labour movement. If there is any movement in this dominion that is opposed to a dictatorship I would say it is the labour movement. That is not only true of Canada; it is true of other countries as well. The people who have financed the dictatorship in other capitalist countries have been the owning and the ruling classes of those countries, so the right hon. gentleman need not concern himself with whether or not we are in favour of dictatorship.

Mr. MACKENZIE KING: My hon. friend has not understood me at all. I have always gathered that labour was not in favour of a dictatorship, and I was warning labour against a dictatorship in this country, which may come a little sooner than some expect.

Mr. MacINNIS: That is quite right, but I would say that my right hon. friend gets his greatest support from the place where the danger in that regard is greater than it is anywhere else in Canada to-day. We must work for a shorter day, a shorter week, a better

[Mr. MacInnis.]

regulation of our hours of labour and a division of work if the people of this country are to benefit from their great heritage here.

Right Hon. R. B. BENNETT (Prime Minister): Mr. Speaker, I do not know just why so much heat and feeling should be introduced into this debate. To me it is the discussion of a matter of very great interest, which should not arouse any animosities and which should not be the occasion for the expression of so much bitterness.

In the first place objection was taken with regard to the form of the resolution. I said that I would look it up this evening at recess, and I find that my recollection was correct. When the resolution was being prepared I suggested that it should be in the terms of the resolution introduced by the right hon. gentleman (Mr. Mackenzie King) when dealing with exactly the same situation in 1928. In the journals of that year I find the following:

On motion of Mr. Mackenzie King (Prince Albert) it was resolved,—That it is expedient that parliament do approve of the slavery convention signed at Geneva on the twenty-fifth of September, one thousand nine hundred and twenty-six, and which was signed, on behalf of Canada, by the Canadian representative duly authorized to that effect;

And that this house do approve of same.

That applied also with respect to two other resolutions, one with respect to an international sanitary convention and the other dealing with another matter. I mention these because I thought it desirable that we should have a uniform form of resolution—

Mr. MACKENZIE KING: I agree.

Mr. BENNETT: —and I am responsible to that extent for the resolution being in its present form. I still think it was better to follow the form used by the right hon. gentleman than the form which was suggested this afternoon. On further consideration I think it is correct to say that it is expedient that parliament should pass it and that this house should take the necessary action in that direction.

So much for that point. May I again suggest to the right hon. gentleman that he is hardly fair to himself when he suggests that during the last few years an interprovincial conference might have been held at which these matters might have been disposed of. The right hon. gentleman was in power in prosperous times, when the difficulties of the great depression were not overhanging all government activities. Yet from 1921 to 1930 I find it difficult to discover anywhere in the record anything that would indicate that

unity or unanimity was secured as between the provinces and the dominion with respect to any matters of this character. I am not unmindful of the fact that an interprovincial conference was held; I am not unmindful of the fact that it laboured for many days; I am not unmindful of the fact that the results were negligible.

I also have to remind this house that I have never thought it necessary that a long time should be taken in disposing of conferences. We called the conference to deal with the statute of Westminster, and let me remind this house that had that statute been passed in the terms suggested by the former Minister of Justice (Mr. Lapointe) it would have done violence to the rights of a part of this dominion. In consequence of the objection of the provinces, commencing with Ontario, at the conference of 1930 I asked that section 7, dealing with the Canadian situation, should be allowed to stand until I could send over a draft of the section. On my return to Canada a draft section was prepared in our office, with the assistance of others as well as of myself, and we called a conference. That conference met at ten o'clock in the morning. The next day the initials of every premier of Canada had been appended to the section in approval; in one case it was the representative of the premier, but that included the premiers of Quebec and Ontario. That was done in less than thirty-six hours. If you have prepared something; if you know what you want to do and have an opportunity for a frank and full discussion, there is no reason why it should not be done as it was on that occasion. At every conference we have held since 1930 we have had definite proposals to submit to the provinces when they attended. They have expressed their views and we have been prompt in signifying our approval or disapproval of their suggestions, and the conferences have terminated. Always they have sat just as long as it was desirable to sit in order to do the business. No purpose is ever served by having conferences last longer than is necessary to dispose of the business with which they have to deal.

May I further remind this house that the matter to which the right hon. gentleman referred, namely insurance, was a matter about which there had been grave differences of opinion. Following the Citizens Insurance Company and Parsons case back in the early days the privy council had determined by a long series of decisions that the business of insurance was under the exclusive legislative jurisdiction of the provinces. Yet three of the provinces at the conferences we held expressed not only their willingness but their desire that we should take over insurance from them, because they felt they had neither the machinery nor the revenues with which adequately to deal with the matter, having regard to the magnitude of the business itself. But the older provinces were not so inclined, with the result that the discussion did not bring about any fruitful result. Nor will such discussions bring about any fruitful result so long as the greater provinces, and particularly the largest of all, believe they have quite as much ability as we have and have the legislative competence to deal with insurance, and continue to do so.

I mention that in passing because there was also another matter under discussion, namely companies. We did agree, and I am happy to say that it was unanimous so far as the provinces and the dominion were concerned, that we should have a uniform Companies Act. But when it came down to terms there was such a difference of opinion that it was impossible to arrive at any uniform act which was acceptable to all.

With respect to other problems with which we had to deal we were able to arrive at conclusions very speedily. I do in all fairness submit to this house that if during these long years of toil and depression, where we have been able to bring about a measure of agreement with the provinces in connection with so vital a matter as the statute of Westminster and with respect to other matters with which we have had to deal, arising out of the depression, we are hardly censurable compared with those who had ten years or thereabouts to deal with these problems and bring about a solution of them by unanimous agreement with the provinces.

I might also say that when the case to which we have been referring this afternon with respect to hours of labour was argued before the Supreme Court of Canada the position taken by the province of Ontario was a very simple one. They said this:

> Edward Bayly, K.C., appearing for the Attorney General of Ontario, argued that the dominion parliament has exclusive power to sanction ratification of the draft convention of the international labour conference, and that if a draft convention is formally ratified, thereupon becoming binding upon the dominion, a further obligation will rest upon the dominion authorities to take whatever action is necessary to make its provisions effective. In the absence of ratification of the eight hour day convention by the federal authorities, it was contended on behalf of the province of Ontario that its subject matter is probably within provincial legislative control.

So that if we are to apportion blame on the basis of non-intervention by way of effective effort it will clearly appear that within the argument made by the province of Ontario before the Supreme Court of Canada the lack of attention was on the part of the federal government for not ratifying the convention and thereby making it a federal law. That in itself explains not only why it has not heretofore been regarded as a federal matter, but also why we are now seeking ratification before following it with a legislative enactment, notice of which appears on the order paper.

I do not propose to do more than make one observation with respect to one statement of the former Minister of Justice. I refer to the letter which I sent to the provinces last year. Of course he realized when he was reading it I was putting before the provinces the position which they had taken. We have had frequent discussions about this at various conferences, informally. I was surprised to hear the right hon. gentleman suggest that in any sense we were endeavouring to compel them to do anything. There were informal discussions with respect to the legislative capacity of the legislatures in connection with social matters as distinguished from the power of the parliament of Canada. Frequently that was the discussion in general terms. The letter which I sent out in August or the early part of September, 1934, to all the premiers was predicated upon putting before them the position which I understood they took and which I believe is really the position which many of them did take, although I do not think the province of Ontario did take it as strongly as has been suggested, namely that they claimed exclusive jurisdiction. It has always been a subject matter of discussion as to the terms on which they were willing to part with it—and I refer to old age pensions and matters of that kind. I was not endeavouring to express an opinion in that letter, because my opinions have never been expressed to them in those terms.

But there was another matter which arose. A conference was to be called. During my absence an effort to raise issues was made by the premier of Quebec, and again in an editorial in the Vancouver Sun; and at the meeting at which the hon. member for St. Boniface (Mr. Howden) accepted his nomination he said that we were going to endeavour to raise racial and religious issues at that conference. When I came back and asked the various premiers—I do not wonder the hon. gentleman smiles—whether they were prepared to meet in conference, one of them said he could not come before Christmas, and I advised by telegram every one of them, and made a statement in the press that such action had been taken. I would deprecate any effort to raise the issues mentioned in the editorial in the Vancouver Sun, or the warning given at his nomination convention by the hon. member for St. Boniface. I mention this in passing—

Mr. HOWDEN: I do not remember any such warning.

Mr. BENNETT: All he has to do is to read his speech when he accepted nomination, and if he will do that I will make it right for him in this house if he does not find that what I have said is correct.

To proceed further: There are three propositions I desire to make to this house. The first one is this, that on the issue as to the question which we now submit should be decided in the affirmative, as to the jurisdiction of this parliament, the Journal of Comparative Legislation and International Law of November, 1934 contains an article upon the constitutional capacity of Canada to give effect to an international labour conference. Mr. Jenks, in his article, refers to the observations of Mr. Justice, now Chief Justice Duff, in dealing with the question of jurisdiction. Mr. Justice Duff after dealing with article 405 made this reservation of some importance:

> No question is submitted as to the duty of the member arising under the succeeding clauses of the same article in the event of the competent authority or authorities giving its or their consent to the recommendation or draft convention; and upon this no opinion is expressed.

Mr. Jenks proceeded in his discussion to point out that no question was asked of the Supreme Court of Canada as to the competence of this parliament. He said:

> The direct question: "Is the dominion competent under any provision of the British North America Act to enact legislation giving effect to the convention?" was never properly before the court.

And it was not. Then arguments were lodged in favour of the dominion jurisdiction, and at one point, as an instance of the strange anomalies of life, the dominion joined with the province of Quebec and argued against its own jurisdiction. That is disclosed by the record.

I am not concerned about the arguments; I am not concerned about the theories; I am concerned only about one thing, namely the practical question. I think one can speak to it without any difficulty. I could not help but think in the Socratic method: as the

hon. gentleman was arguing: Did the government sign on behalf of the British empire the treaty of peace? With the provisions with respect to labour that I urged this afternoon the answer to that must be yes. That is clear.

There is just one further point to which for some reason the hon. gentleman this afternoon would not refer. Article 405 in the treaty reads in part:

> In the case of a federal state, the power of which to enter into conventions on labour matters is subject to limitations, it shall be in the discretion of that government to treat a draft convention to which such limitations apply as a recommendation only, and the provisions of this article with respect to recommendations shall apply in such case.

Therefore there was conferred upon the government of the day a discretion. That discretion the Liberal government exercised by making recommendations to the provinces and ultimately making a reference to the courts in which, as Mr. Jenks said, the direct question was never settled. This government proposes to exercise the discretion in the opposite sense. We propose to exercise a discretion by exercising our legislative powers and passing legislation after ratification of the convention. That is all there is to it.

I do not think that the problem of law is as obstructive and as difficult as might be suggested. The only reason I read from the judgment this afternoon was a very simple one, namely so that members of the House of Commons who are interested in reading these matters, and many of them are, might at least have before them the decisions of the court in that regard. They would have before them the statements made by the judges in arriving at their conclusion and the reasons which governed their action.

Now, Canada claims to be a nation; Canada signs conventions; Canada makes treaties. The ex-Minister of Justice, who spoke this afternoon, signed the Halibut treaty as a minister, and as the Minister of Justice for Canada. We have claimed, and rightly claimed, that under the powers conferred upon us we have become a nation. If we are a nation there must be somewhere in this national government—and I do not use the term "national government" in the sense in which it is sometimes used—in this national federal government there must be somewhere a power to speak for all the citizens of Canada. That being so, as Lord Sankey said, certainly no one province can do it. Certainly you cannot piece it together by saying that in the aggregate all the provinces can do it. But the body corporate, the entity, is the Dominion of Canada, and that dominion speaks through this parliament with respect to matters to which we have bound ourselves by our treaty obligations.

I submit with deference that the former Minister of Justice has confused the words "obligation" and "power". The question of power is the question of jurisdiction. The question of obligation is the acceptance of responsibility. The dominion does not accept the responsibility except through the execution of a treaty. If it accepts that responsibility in the exercise of a discretion then the power is conferred by section 132. When the obligation is accepted the power is conferred by that section 132. It is so simple. It is like an ordinary everyday agreement. If a man is willing to accept an obligation it follows that he has the power to do it, or the obligation should not be made.

Now the treaty of Versailles provides for two things: (a) the renunciation by taking action of a national obligation, or in the case of a discretion (b) the acceptance of the obligation If the nation accepts the obligation, then the power is found in section 132. Side by side with the responsibility marches the jurisdiction to exercise it. That jurisdiction may or may not be exercised, but there is the power to exercise it. During the last sixteen years this parliament was not asked to ratify the convention. It might have been; it was not. What was done was to pass an order in council dealing with part of it, and to refer to the terms of the peace treaty itself, in article 405, to what labour meant and to all that concerns its wellbeing; but every word and every line of that obligation is national in its character. It is not divided into nine parts. It does not concern nine provinces. It concerns them in the aggregate, and in the aggregate they become the Dominion of Canada, and therefore the obligation is national, and not provincial. The sum total of provincial obligations can never be exercised with respect to a national matter in connection with which the country as a whole has bound itself by treaty, by piecing together piecemeal the legislation of the provinces. It must be a national exercise of the power, and that can be done only by this parliament. That is the point I desire to make and which I think concludes the question that was raised by hon. gentlemen opposite.

Let me say this The hon. gentleman was somewhat cynical with respect to the conclusions at which lawyers arrive, and he was uncertain whether or not an opinion was held at this moment or at that moment. I do think it was unfair to suggest that a letter asking

for a conference and dealing with the problems as put forward by the provinces, and what their attitude was, represented the attitude of the one who had extended the invitation. Obviously that can never be so. The subject matter of the discussion does not indicate the opinion of the person who extends the invitation. It would be ruinous to any conference if that were so; that is quite clear.

There is just this to be said. I did say that law was a progressive science in dealing with the construction of our constitution. I did not for one single moment mean, as was suggested, that opinions of lawyers differ merely because they happen to be different men. But the development of civilization broadened the attitude of mind towards judicial decisions, and I quoted from the language I think of Mr. Justice Wendell Holmes, who said that common law was based not on logic but on experience. The interpretation of statutes is still governed by the same general rules to-day as it was three hundred years ago; but the broadening of the attitude of mind and outlook in the light of present day civilization is well represented by the method in which this constitution of ours has been slowly evolved and developed.

I did say that I have arrived at a conclusion, which the hon. gentleman suggests is erroneous. I am always willing to say it may be, but as far as my mind is concerned I have no doubt, and I am just as apt to be right as the hon. gentleman. I had a very substantial experience in the practice of my profession and with respect to the framework of the constitution, if he will look at the law books he will find that the position I took was supported by the privy council in all cases in which I had the privilege of arguing before them. I can say that with some degree of confidence.

Mr. LAPOINTE: Not in the Nadan case.

Mr. BENNETT: I was not arguing the Nadan case on that point at all. That was the dominion. I drafted the Alberta act, with the assistance of Mr. Farley, of Edmonton, and the attorney general of that province, when the question of its constitutionality came up in the Nadan case, entrusted me with the responsibility of defending my own statute. What happened was that the dominion intervened and claimed that there was no right of appeal to the privy council. I was acting for the province, to sustain the conviction which had confiscated a Cadillac car costing about five or six thousand dollars and likewise its cargo of liquor. In the event the privy council decided the conviction was valid, the car properly confiscated to the crown, and likewise the contents, which went to make happier the lives of some individuals. But so far as the constitutional point was concerned, that was settled by counsel representing the dominion. The present Lord Hailsham appeared for the attorney general of England. My memory is that the dominion was represented by Mr. Greene, although I am not quite certain as to that. Perhaps my hon. friend will remember.

Mr. LAPOINTE: No, I am sorry I do not.

Mr. BENNETT: At any rate I was appearing in the interests of the province of Alberta.

You have here, Mr. Speaker, a question of first importance. We are going to enact legislation based on the ratification of a treaty, of an agreement, of a convention, and that raises a single, simple question: Did Canada under the peace treaty assume obligations? If she did, was there a convention made pursuant to that? Did Canada ratify it? If she did, in my judgment, there is no power except the parliament of Canada to deal with the question with which we are concerned.

I think it is unfortunate that we should get into a discussion as to the attitude of this party or that, or of this member or that member, with respect to these matters in the past, except as one is compelled to make answer to observations made by those opposite. This is a problem partly legal, partly social, but in any event national; and if it is national, if there should be uniformity of law, as is agreed upon by all; if there should be no conflict between provinces with respect to the terms and conditions under which they prepare goods for export; if there should be uniformity in hours of toil and cessation from toil so that there will be equality as between the provinces when goods are sold on the markets of the world, and if there should not be a mad competition in invitations to induce manufacturers to set up their factories in this province or in that because in a particular province he may work his labour longer hours than in another—if that is wrong, as everyone agrees it must be, there is only one method by which it can be dealt with, and that is by uniformity of law. That uniformity cannot be secured by piecemeal legislation, to use the language of the books, by one province enacting an eight hour day law and another a nine hour day; by one province making limitations of this character and another of another. Rather there must be placed upon the statute books of our country a broadly conceived statute that will ensure uniformity and equality in the work with respect to the matters in which the workman is interested.

Mr. MACKENZIE KING: What does the Prime Minister claim as regards the draft convention respecting hours? Does he claim equally with respect to all the other draft conventions?

Mr. BENNETT: I explained, without going into details this afternoon, that there are some of them that are so clearly not covered by the principles to which I referred that they might be regarded as purely provincial. And that was mentioned by Lord Sankey in the judgment I referred to this afternoon. I will say this, however, that each one of them, so far as we are concerned, will be dealt with on its merits as it arises. But what we are inviting this house to do is to enact legislation that will provide that a forty-eight hour law is valid in every province of confederation. I agree with what has been said, that conditions have greatly changed since 1919. Never were opportunities better to enact legislation than then. Never was the opportunity greater than at that time and following the war, during the period that my hon. friend was in office. Never, I say, was there a greater opportunity. Let us see what happened in relation to the so-called Lemieux Act. That act was passed and put on the statute books and remained there twenty odd years before it was attacked in the court. But I think it was the opinion of nine lawyers out of ten that it was invalid as it stood. At least, that was always the opinion whenever we had friendly discussions respecting the validity of statutes, and it was not until the Snider case was taken to the court of last resort that the matter was cleared up. It was suggested that we should refer the matter to the Supreme Court of Canada. But what did the privy council say? The privy council has said that the opinion of the supreme court in the matter is no better than the opinion of the law officers of the crown; and Lord Loreburne said that an opinion should not be asked for because the thing to be determined is not the validity of a hypothetical question but the validity of a concrete statute that may be enacted by the legislature, whether it be parliament or the provincial legislature. That was dealt with at some length, and Lord Sankey took this view. He said, "We cannot be draughtsmen for the Dominion of Canada. We cannot have submitted to us the whole of a statute and be asked to say what is good and what is bad therein." And in any event, the view has been held that such an opinion is no better than that of the law officers of the crown, being advisory only. He points out, further, another reason which I think is so sound that merely to mention it carries the conviction necessary in the case. Other people are bound. This is an international obligation, and when other nations and other peoples are affected by advisory opinions and they are not before the court, it is inadvisable that such opinion be given, because it affects in any event only your own people and cannot be better, as has been said, than that of the law officers of the crown.

I was glad to hear the closing observations of the leader of the opposition that he proposed to support the passage of this resolution. One would hardly think, from the clamorous manner in which opposition was received by his adherents this afternoon, that they were anxious that anything should be passed emanating from this government. It is always one of the misfortunes of party strife that parties are unable to see that something may be beneficial to the country even though it emanates from Nazareth. The old cry, "Can any good come out of Nazareth?" was beautifully exemplified by what took place this afternoon—loud cheers and counter cheers when words were uttered against the efficiency of the legislation or the validity of the resolution—and then winding up with a magnificent display of rhetoric about undying devotion to a great cause, and the shortness of hours, so that one could hardly count the time between going to work and ceasing from work; and declaring, "We will support the measure with all our might."

Motion agreed to.

CITY OF OTTAWA AGREEMENT

Hon. H. A. STEWART (Minister of Public Works) moved that the house go into committee at the next sitting to consider the following proposed resolution:

That it is expedient to authorize the Minister of Public Works, on behalf of His Majesty, to enter into an agreement with the corporation of the city of Ottawa to extend the period of the existing agreement with the corporation for one year from July 1, 1934.

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

Motion agreed to.

AIDS TO NAVIGATION

BAHAMAS AND LEEWARD ISLANDS—COLLECTION OF DUES TO APPLY TOWARDS MAINTENANCE BY BRITISH GOVERNMENT OF SHIPPING SAFEGUARDS

Hon. ALFRED DURANLEAU (Minister of Marine) moved that the house go into

committee at the next sitting to consider the following proposed resolution:

That it is expedient to provide for the collection by the dominion government of dues to be applied towards the maintenance of the lighthouses and buoy erected or placed by the British government on or near the coasts of the Bahamas and Leeward islands, from ships arriving at and departing from ports in Canada which derive benefits from the said lighthouses and buoy.

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

Motion agreed to.

HUDSON BAY ROUTE

MARINE INSURANCE RATES ON HULLS AND CARGOES OUT OF CHURCHILL

On the orders of the day:

Mr. B. M. STITT (Nelson): I wish to ask the government a question based on the report of the imperial shipping committee for 1934, on the subject of marine insurance rates on hulls and cargoes out of the port of Churchill, Manitoba. On page 6, section 13 of this report there appears the following:

In our opinion, the evidence, which has now been accumulated by us and which has been published in our reports, tends strongly in the direction of the view that during the open season of navigation for a well-found vessel the risk of casualty is little, if any, greater on the Hudson bay route than on the voyage to Montreal by way of the St. Lawrence.

My question is this: What steps is this government taking to have these rates, which are now five times greater than those from Montreal out of Churchill, brought somewhere near a parity with those prevailing out of the port of Montreal?

Right Hon. R. B. BENNETT (Prime Minister): The hon. gentleman's question will remain as a notice. The fact is that the imperial shipping committee has been dealing with this matter under the chairmanship, I think, of Sir Halford Mackinder, who is thoroughly familiar with the question and made a report last year. The committee will make another report before navigation opens for 1935. The question, as the hon. gentleman put it, was as to what the results of the season's operations indicated with respect to casualties on the route, and the suggestion is that if there were no casualties then the rates should be revised downward. That is the position, but it will be looked into carefully and an answer given by the Minister of Marine.

[Mr. Duranleau.]

PRIVILEGE—MISS MACPHAIL

On the orders of the day:

Miss AGNES MACPHAIL (Southeast Grey): I should like to offer an explanation of a statement made by me in the house on January 24, when we were discussing the resolution of the hon. member for Battle River (Mr. Spencer) with respect to the establishment of a federal health policy. In reply to the contention of the Minister of Pensions and National Health, that the country was in the main well provided with hospitals, I said:

I know there are splendid hospitals and doctors and nurses, but what does that matter when the people cannot get into the hospital without guaranteeing payment, and when they have not the money to pay for care in the hospitals? In the city of Owen Sound people have actually been kept waiting on the steps of the hospital until the hospital authorities could be assured there was going to be full pay for their hospitalization. Everyone in this house knows of innumerable instances where people have not been able to secure hospital treatment or the care of a nurse in their own home simply because they could not afford to pay for it. There are hundreds and thousands of nurses out of work in Canada who would be only too glad to take care of the sick, as the sick would be only too glad to be taken care of. But there must be dollars to bridge the chasm between unemployed nurses and uncared for sick.

I believed that the statement made by me at that time was correct, but the name of the hospital was used inadvertently. I had not intended to use the name but I did believe that the statement I made was accurate. If I may be allowed to do so, I should like in support of the statement I made, to refer to the Public Hospitals Act, 1931, passed by the Ontario legislature, a copy of which I received this morning. I would refer to the provision contained in section 18, subsection 1, on page 7. I shall not read it. It is an amendment that was offered in 1933, which leads me to believe that there was difficulty as regards the admission of indigent patients without delay into hospitals. I had conversations with two reeves of rural municipalities last week end who said that until recently hospitals did communicate with either the clerk of the township or the reeve before admitting indigent patients into the hospitals with which those two reeves had to deal. Since that time however I received from the president of the General and Marine hospital board, Owen Sound, a letter, the tone of which I appreciate. He points out—and I want to put his statement on record—that my statement was unfair to the Owen Sound hospital. I am giving only

two or three paragraphs which deal particularly with the matter. He said:

> This notice came to me as a shock that anyone could imagine such a thing could happen, or any person ever had to wait admission on account of funds. The first duty to patients entering the hospital is to take care of the sick; rich or poor are all treated alike; no patient delayed on account of funds.

This is his statement. I would not go so far as to say that rich and poor are treated alike, but I am reading the statement he made. The next paragraph reads:

> There is a necessary chart to fill out when entering, which can be done by relatives or friends if not at patient's bedside. In this chart the question of payment is asked, but all are treated alike.
>
> I can say to you that in my experience of fifteen years as president of the Owen Sound General and Marine hospital and some years before that as member of the trustee board, I have never known of any patient being delayed in entering the hospital on account of funds. Many cases have been entered when we knew the prospects of payment were not good, also foreigners from whom we had no chance of collecting.

I said that that would be all, but there is really one other paragraph which should go on record. It is as follows:

> This hospital is rated as an A-1 standard hospital, a rating that we jealously guard, and if anything happened as stated above we would lose the high standing that we now enjoy.

The letter is signed: J. R. McLinden, president. I want to be fair to the Owen Sound hospital and state that I do regret, and that I did regret the moment after I finished speaking, not having verified the statement which I used at the time and which I then believed to be correct.

PRIVILEGE—Mr. HOWDEN

On the orders of the day.

Mr. J. P. HOWDEN (St. Boniface): Before the orders of the day are called, may I say that the Prime Minister (Mr. Bennett) in discussing the resolution before the house a few moments ago intimated that on the occasion of my nomination I had referred to a provincial conference that was sitting at that time.

Mr. BENNETT: I did not say that. Look and see what I said.

Mr. LAPOINTE: He did not speak about the hon. member at all.

Mr. BENNETT: Yes, I did.

Mr. HOWDEN: I understand that I am accused of having made remarks tending to arouse racial prejudice.

Mr. BENNETT: That is right.

Mr. HOWDEN: I caught just the tail end of the remarks, but I believe that was the gist of it. So far as my last nomination is concerned, it was an acclamation and my speech was exceedingly brief and merely one of appreciation of the nomination. I have a very clear and definite recollection of the speech that I made at the convention of 1930, and I believe I am justified in giving an unqualified denial to any statement that I raised racial prejudice at that time or at any time. I represent a constituency where French Roman Catholics and English Protestants are well represented—

Mr. SPEAKER: I think the hon. member has quite covered the point of order. As a matter of fact he should state the words of which he complains and then argue the point of order, but he does not seem to be very clear on that point.

Mr. HOWDEN: I have not the printed text before me and am speaking from memory, but since I am not going to be allowed to speak, then I desire to give an unqualified denial to the statement of the Prime Minister.

Mr. BENNETT: I said that I would look up the newspaper and read to this chamber the report of the speech made by the hon. gentleman in which he warned his constituents of certain possible results that might come to them.

Mr. DUPUIS: But the right hon. gentleman is not allowed to read newspapers, and the hon member may have been misquoted.

Mr. HOWDEN: The Prime Minister may read a report of a speech from a newspaper, but I insist that in all my career I made no such remarks in any speech.

BUSINESS OF THE HOUSE

Right Hon. R. B. BENNETT (Prime Minister): I stated yesterday that we would endeavour to take the order dealing with unemployment insurance. I am prepared to proceed with it but I cannot complete the second reading in the time available. I said that we would then take supply. We are prepared to take a few items in supply in the Department of Pensions and National Health.

Mr. MACKENZIE KING: All right; take supply.

SUPPLY

PENSIONS AND NATIONAL HEALTH

The house in committee of supply, Mr. Smith (Cumberland) in the chair.

Employers' liability compensation, $40,000.

Mr. GRAY: Will the minister explain this item?

Hon. D. M. SUTHERLAND (Minister of Pensions and National Health): It has been the custom for a number of years for the dominion to become responsible for workmen's compensation claims if pensioners in receipt of a pension of twenty-five per cent or over are employed. One can easily see that it might be possible that such workmen might be more liable to accident on account of being incapacitated to the extent of twenty-five per cent by war disability, and therefore it has been the custom for a number of years for the federal government to be responsible for such workmen's compensation.

Mr. GRAY: How much was claimed by way of compensation during the year 1934?

Mr. SUTHERLAND: Prior to December 31, 1934, there were twenty-seven claims in Alberta totalling approximately $4,000; one in British Columbia, approximately $100; thirty-eight in Manitoba, approximately $1,670; one in Nova Scotia, $100; seventy in Ontario, $5,300; nine in Saskatchewan, $201 and five in Quebec, $2,388.

Item agreed to.

Sheltered employment, $50,000.

Mr. SANDERSON: Will the minister explain this item?

Mr. SUTHERLAND: This is in connection with the vetcraft shops. We maintain at Halifax, Montreal, Toronto, Hamilton and Victoria, what are called vetcraft shops. They were started after the war, with the idea of giving sheltered employment to soldiers who were not able to hold their place on the open labour market. It is not being followed quite as much now as in those days, but still we have the shops in those five cities. Of course they are not self supporting. They manufacture certain articles very well indeed, but their rate of production is not equal to that of men who are one hundred per cent efficient. This is to make up the loss on those shops.

Mr. HOWDEN: Are these men able to earn anything at all from what they produce?

Mr. SUTHERLAND: Oh, yes. The proceeds from sale of products that they made last year amounted to $118,004. Since I have been in the department I went through the vetcraft shop at Montreal and was quite favourably impressed with the way they were getting on. In that shop there were about 28 men working, and they seemed happy. I looked over the goods, talked with their sales agent, and it seemed to me it was being operated very efficiently.

[Mr. Gray.]

Mr. HOWDEN: The reason I asked is that we had one of these shops in Winnipeg. Unfortunately it was burned down two or three years ago, by accident no doubt, and I think some thirty men were thrown out of employment. Although many appeals were made to the government to reestablish this shop, they did not succeed. Is it the policy of the government to continue these shops, and if so, is there any possibility of re-establishing the shop we had in Winnipeg?

Mr. SUTHERLAND: No, I do not think it is the policy to start any new shops. It is not an efficient operation, but it does give employment to a number of these men. But it is my judgment, and that of the department, that no additional shops should be established.

Mr. HOWDEN: Do I understand that any shops that might by accident be destroyed will be discontinued?

Mr. SUTHERLAND: I could not give a definite answer to a hypothetical case. I hope nothing will happen; if it should, it would have to be considered on its merits.

Mr. HOWDEN: It is not fair to these men in Winnipeg. I understand they were doing very well and turning out excellent goods. The building was destroyed by fire one night, and all attempts to have it reestablished have failed. I appeal to the minister to give the matter consideration, even at this late date, and if possible to do something for these men.

Mr. SUTHERLAND: I shall be glad to look into it.

Mr. SANDERSON: What is the total number employed in these shops?

Mr. SUTHERLAND: On December 31 last there were 10 at Halifax, 20 at Montreal, 47 at Toronto, 17 at Hamilton and 28 at Victoria, British Columbia.

Mr. SANDERSON: There is no shop at London?

Mr. SUTHERLAND: No.

Mr. SANDERSON: Was there not a shop there at one time?

Mr. SUTHERLAND: Not in my day.

Mr. BOTHWELL: What kind of men are employed in these shops? Are they partially disabled?

Mr. SUTHERLAND: Oh yes, they are all pensioners with twenty-five or thirty per cent disability, and as a rule men who have lost a good deal of their vim and energy; although in some cases when they get the chance to

work without being pressed as they would be in ordinary commercial life they get along fairly well. Many of them are able finally to get out and take their places in industry.

Mr. GRAY: How does a veteran obtain employment in the vetcraft shops?

Mr. SUTHERLAND: Our officials in these centres throughout Canada are in close touch with the returned soldiers; for instance men seeking relief or in need of medical attention on account of their pension disability come into the office. There are not many vacancies, but when one occurs whoever is in charge of the vetcraft shop intimates the fact to our official; he keeps his eye open and recommends a suitable man whom that occupation would help; and the man is taken on.

Mr. GRAY: Does the minister think the work might be extended in order to include unemployed veterans?

Mr. SUTHERLAND: I do not think it will. It filled quite a gap in the years after the war, but it is not an economical undertaking.

Mr. DUPUIS: I received this morning a letter from a war veteran at Coronach, Saskatchewan. He had about 800 acres of land in the drought area, I understand, and he is completely ruined. He has four children, and, having been one of my schoolmates at Normal school in Montreal years ago, and hearing that I was a member of parliament, he wrote and begged me to try to obtain something for his family. I frankly admit that I should have seen the minister, but as the case might be general enough to deserve a public answer I thought it appropriate to put it before him now. This man has nothing except $48 a month pension. He said he borrowed three or four thousand dollars to buy what he needed, and his crop last year was absolutely nothing. I am sure that the minister will give me the proper information which I can send to him.

Mr. SUTHERLAND: What I suggest in a case like that is that the hon. member come down to the department and see me, and I will put him in touch with the proper official. It is hard to make a statement here on an individual case. There are many of these cases in respect to which some suggestion may be made to help. If the hon. member would see me it would be much the better plan.

Mr. DUPUIS: I shall excuse myself again; I knew this answer would be given. But these veterans were allowed after the war to go farming if they were able to do so, and hundreds of them went on the land; I thought there must be many cases like this one.

Mr. BENNETT: Not with 800 acres.

Mr. HOWDEN: Is the administration of the vetcraft shops directly under the department, or under the civil service commission?

Mr. SUTHERLAND: It is directly under the department.

Mr. McINTOSH: When did these shops commence operation—immediately after the war?

Mr. SUTHERLAND: Yes.

Mr. McINTOSH: What has been the amount spent under this item since the commencement, as compared with the item we have to-night?

Mr. SUTHERLAND: For the years for which I have the figures, they are as follows:

1930-31	$95,056
1931-32	23,000
1932-33	6,000
1933-34	16,000

Item agreed to.

Grant to Last Post fund, $60,000.

Mr. GRAY: I note an increase in this item. I presume that is due to the fact that many of the veterans who are unemployed are dying without resources. The minister might explain what call is being made upon this fund. I think we are all heartily in accord with the vote, and we are sorry to see the necessity for an increase.

Mr. SUTHERLAND: That is the case; it is necessary to ask for an increased appropriation this year because of the number of burials expected, which it is estimated will number about 621.

Item agreed to.

Pension appeal court, $19,800.

Mr. SANDERSON: I would ask the minister to let this item stand.

Item stands.

War veterans' allowance committee, $14,400.

Mr. SUTHERLAND: This is merely the salaries.

Item agreed to.

National health: the administration of the acts respecting food and drugs, opium and narcotic drugs and proprietary or patent medicines, including the laboratory of hygiene, $130,000.

Mr. HOWDEN: I would like this item to stand. It is a large item, and I am not prepared to discuss it to-night.

Item stands.

Pensions payable to men on active service, Northwest rebellion, 1885, and general pensions, and civil flying $21,000.

Mr. GRAY: Would the minister give the number of men receiving pensions in the various branches?

Mr. SUTHERLAND: At the present time there are 46 pensioners and six dependents receiving pensions under this vote.

Mr. GRAY: How are they divided?

Mr. SUTHERLAND: There are twenty-four pensioners in regard to the Northwest rebellion, 21 privates, one sergeant, one warrant officer and one lieutenant. There are 21 general pensioners. These are made up of men belonging to the permanent force who were in receipt of pensions before the great war, men who were hurt in militia camps or in some other way. They are still being paid pensions, some of them under this heading.

Item agreed to.

Pensions and National Health: salaries, $149,390; contingencies, $30,300.

Mr. GRAY: Would the minister explain the increase?

Mr. SUTHERLAND: The increase comes about in this way: There are three employees, one clerk grade 4, one clerk grade 3 and one stenographer grade 2, who formerly were paid out of the salary vote which we have not yet touched. Their work is more on the health side, and they are being transferred to this vote. Their salaries total $4,740. Offsetting that there are three positions that were provided for in last year's estimates which are not provided for this year. Those salaries total about $3,600, leaving a net increase of $2,150.

Mr. SANDERSON: I should like to ask the minister for a little more detailed information. Just what officials come under this vote?

Mr. SUTHERLAND: Just the officials in the health department who have to do with the administration of the Pure Food and Drugs Act, the Proprietary and Patent Medicine Act, the Quarantine and Leprosy acts, the Immigration Act, and a small number under the Sanitary Engineering Act. None of the officials having to do with pensions are under this vote.

Mr. GRAY: Do we still maintain medical officers at European ports in connection with immigration?

Mr. SUTHERLAND: Yes, we have some, but they do not come under this vote. They come under the vote that was allowed to stand.

Mr. GRAY: They do not come under this item?

Mr. SUTHERLAND: Not those in Europe.

Item agreed to.

Progress reported.

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

Monday, February 11, 1935

The house met at three o'clock.

DOMINION ELECTIONS ACT

Mr. ANGUS MacINNIS (Vancouver South) moved for leave to introduce Bill No. 16, to amend the Dominion Elections Act, 1934.

Mr. GUTHRIE: Explain.

Mr. MacINNIS: The purpose of this amendment is to extend the privilege of voting by absentee ballot to the men in the unemployment relief camps on the same conditions granted in the case of other occupations enumerated in the act. The only change proposed is the addition of a definition of "unemployment relief camp worker," and the insertion of the words "unemployment relief camp workers" in section 2 of subsection 99.

Motion agreed to and bill read the first time.

FISHERIES ACT AMENDMENT

Mr. THOMAS REID (New Westminster) moved for leave to introduce Bill No. 17, to amend the Fisheries Act, 1932.

Some hon. MEMBERS: explain.

Mr. REID: The purpose of the bill which I am asking leave of the house to introduce is to prohibit the catching of salmon by the use of purse-seines in the waters adjacent to the mouth of the Fraser river, with the object of preventing the further depletion and de-

struction of the great salmon fishing industry in that river, and also to protect the livelihood of thousands of gill-net fishermen.

Motion agreed to and bill read the first time.

ELECTRICITY INSPECTION ACT

Hon. R. B. HANSON (Minister of Trade and Commerce) moved for leave to introduce Bill No. 18, to amend the Electricity Inspection Act, 1928 (French version).

Some hon. MEMBERS: Explain.

Mr. HANSON (York-Sunbury): The proposed amendment is merely to correct a clerical error in the act as it now stands. On the translation of the act from English into French certain words were inadvertently omitted, and the amendment is to insert those words in the French version.

Motion agreed to and bill read the first time.

PRIVILEGE—MR. BENNETT

Right Hon. R. B. BENNETT (Prime Minister): Mr. Speaker, on a question of privilege I desire to point out that on Friday last I directed attention to the fact that the hon. member for St. Boniface (Mr. Howden) had given certain warnings at his nomination convention. I did that on the strength of a statement that said the warning was given and indicated that he had used the language at his nomination meeting. I have since investigated the matter with great care, and I find that the Winnipeg Free Press of October 22, and the Winnipeg Tribune of the same day, make reference to his nomination. It was incorrect for me to say that the hon. member for St. Boniface had made the statement in question. It was made by the president of the Liberal Association of Manitoba. I quote from the Winnipeg Free Press of October 22:

> John Caswell Davis, president of the Manitoba Liberal Association, warned that the Conservatives probably would introduce a "false issue" into the campaign to separate the people of the dominion on a racial and nationality basis.

That is all that is said. The report in the Tribune is this:

> Referring to the Stevens commission, J. C. Davis, president of the Provincial Liberal Association, stated that, so far, only "hand-picked" concerns had been investigated. The "big fellows" were still untouched. He also warned the electors against possible attempts on the part of the Conservative government to so juggle amendments to the British North America Act as to stir up racial feeling.

I express my very sincere regrets that I did an injustice to the hon. gentleman on Friday last when, in consequence of the dispatch to which I had reference—which was neither one of these—not mentioning who was responsible for the statement, I attributed the statement to him. That was an error and I offer him my apologies for having done so. But the statements in question were made by the president of the Liberal association in the province of Manitoba, who was speaking presumably in the presence of the hon. gentleman.

Mr. J. P. HOWDEN (St. Boniface): I have nothing to say in the matter, and I appreciate the Prime Minister's action in this regard.

QUESTIONS

(Questions answered orally are indicated by an asterisk.)

INTERNATIONAL WHEAT COMMITTEE

Mr. MOTHERWELL:

1. Is the international wheat committee, or the continuing subcommittee thereof, still functioning?
2. If so, in what direction?
3. Has the attention of the government been directed to a statement made on page one of a monthly review of the wheat situation, issued on the authority of the Minister of Trade and Commerce, under date of January 23, 1935, which reads as follows: "Stocks of wheat in Canada continue at a higher level than a year ago. On January 11, 1935, the Canadian visible supply amounted to 257,000,000 bushels as compared with 237,000,000 on the same date a year ago"?
4. If so, what is the government's policy in relation thereto?

Mr. BENNETT: I may say to the hon. gentleman, who is an experienced parliamentarian, that part of his question it would be difficult to answer, while part of it is improperly on the order paper. The answer to the first is, yes. The answer to the second would be, in the direction of success. The answer to the third would be, yes; and the answer to the fourth is that the question should not be on the order paper.

Mr. SPEAKER: As to the first three, answered; as to the fourth, dropped.

FREDERICTON, N.B., POST OFFICE

Mr. MICHAUD:

1. What was the total cost of painting and other repairs of the post office at Fredericton, New Brunswick, from January 1, 1934, to January 1, 1935?
2. Was the work for painting and carpentry done by contract or day's work? If by contract, who was, or were, the contractor or contractors? If done by day's work, who was the supervisor, and what rate of wages were paid to men employed on such work?

Mr. STEWART: Leeds):

1. $1,652.

2. For the following items local tenders were invited and lowest accepted as follows: painting, Jas. Coy, $1,175; repairs, Jas. Coy, $165; electrical work, R. L. Hazlett, $104.50. For small emergency items amounting to $207.50 the district resident architect who supervised the work had different firms in Fredericton do the work and render accounts for same. No information re wages paid.

FIRE INSURANCE COMPANIES

Mr. COOTE:

1. In the case of fire insurance companies holding Dominion licences, what was the total of the net amount received for premiums during the years 1919 to 1933, inclusive?

2. What was the net amount paid for losses during said years?

3. How many fire insurance companies operated under Dominion licences in 1933?

Mr. RHODES:

Answer 1 and 2: Fire Insurance in Canada

Year	*Net premiums written	Net losses incurred
1919	$40,031,474	$16,679,355
1920	50,527,937	21,935,387
1921	47,312,564	27,572,560
1922	48,168,310	32,848,021
1923	51,169,250	32,142,491
1924	49,833,718	29,186,904
1925	51,040,075	26,943,089
1926	52,595,923	25,705,975
1927	51,375,637	20,831,931
1928	54,826,851	25,544,664
1929	56,112,457	30,209,839
1930	52,646,520	30,427,968
1931	50,342,669	29,938,409
1932	46,911,929	30,068,923
1933	41,573,986	21,655,460
	$744,469,300	$401,690,976

*After deducting all reinsurance premiums in the case of Canadian companies and all reinsurance premiums paid to licensed companies in the case of British and foreign companies.

Note.—For the years 1919 and 1920 the figures shown represent net cash received for premiums and net losses paid.

3. 240 companies.

FARMERS' CREDITORS ARRANGEMENT ACT

Mr. LAFLECHE:

1. How many farmers from the county of Richmond-Wolfe have made application in connection with the Farmers' Creditors Arrangement Act?

2. How many of those cases have been settled to date?

Mr. RHODES:

1. In the province of Quebec official receivers are appointed for judicial districts. The county of Richmond-Wolfe is in the judicial district of St. Francis. As reported to the end of December there were 485 interviews by official receivers in the judicial district of St. Francis.

2. The number of settlements reported by the official receivers in the judicial district of St. Francis is 27, but in the great majority of cases proceedings are still pending.

PROVINCIAL DEBTS

Mr. EULER:

What is the amount of the debt of each of the western provinces to the federal government?

Mr. RHODES:

Debts of each of the western provinces to the dominion government February 7, 1935
(Department of Finance)

	Manitoba	Saskatchewan	Alberta	British Columbia
Loans under relief acts	$12,433,629	$36,864,254	$11,977,000	$14,514,234
Treasury bill re overpayment subsidy	....	....	468,750	....
Housing loans	1,095,000	....	....	1,701,500
	$13,528,629	$36,864,254	$12,445,750	$16,215,734

CANADIAN FARM LOAN ACT

Mr. DUFF:

1. How many applications for loans under the Farm Loan Act were made by farmers in the province of Nova Scotia during each of the fiscal years 1929, 1930, 1931, 1932, 1933 and 1934?

2. How many of said applications were granted during each of the said years?

3. What was the total amount of loans asked for during each of the years 1929, 1930, 1931, 1932, 1933 and 1934, in Nova Scotia?

4. What was the total amount of loans made in Nova Scotia during the years 1929, 1930, 1931, 1932, 1933 and 1934?

Mr. RHODES:

1, 2, 3 and 4.

Nova Scotia

Year ending March 31	Applications received	Amount of loans applied for	Loans granted No.	Loans granted Amount
1930	242	$516,095	95	$154,900
1931	140	291,505	43	68,100
1932	132	261,230	36	55,100
1933	115	193,150	33	36,200
1934	87	125,355	9	14,700
	716	$1,387,335	216	$329,000

Mr. HANSON (Skeena):

1. How many applications for loans were received under the Canadian Farm Loan Act in Skeena riding, British Columbia, during the years 1930 to 1934, inclusive?
2. How many loans were granted in the said riding during each of the above years?
3. What are the names and addresses of those to whom loans were made, and what amount in each case?
4. What are the names, addresses, positions and salaries of the present officials connected with the said act in the Skeena riding?

Mr. RHODES:

1 and 2. The records of the Canadian farm loan board are not kept by constituencies and the information asked for is, therefore, not available.

3. Transactions between the board and borrowers are regarded as confidential and it is not considered in the public interests that information revealing the names of persons who have obtained loans should be given.

4. None resident in Skeena riding.

MACPHERSON WHARF, P.E.I.

Mr. MacLEAN:

1. Was MacPherson wharf, in King's county, Prince Edward Island, repaired in 1934?
2. If so, how much money was spent on this wharf?
3. How much money was paid out in wages?
4. How much per day did the foreman receive?
5. How much per day did the average labourer receive?

Mr. STEWART (Leeds):

1. Yes (MacPherson's Cove wharf).
2. $3,364.16.
3. $1,498.46.
4. 60 cents per hour.
5. 30 cents per hour.

EMERY FLEURY

Mr. DUBOIS:

1. Is one Emery Fleury, of Saint-Leonard, Nicolet county, employed in the Department of Agriculture?
2. If so, what are his duties?
3. What is his salary?

Mr. WEIR (Melfort):

1. Yes.
2. Record of performance inspector for dairy cattle.
3. $1,134 per annum.

AGRICULTURAL LOANS IN QUEBEC

Mr. TETREAULT:

1. How many applications were made in the province of Quebec for agricultural loans, from 1927 to 1930?
2. How many of these loans were granted?
3. What was the total amount of these application for loans?
4. How many of these farms have been taken over by the farm loan board, from 1927 to 1931?
5. What is the amount of arrears, capital and interest to date in connection with farm loans made in the province of Quebec?

Mr. RHODES:

1. From inception of operations in Quebec in 1929 to March 31, 1930, a total of 1,865 applications.
2. 350.
3. $5,738,990.
4. To March 31, 1931, none.
5. As at close of last fiscal year, March 31, 1934, principal arrears $52,963.84, interest arrears $107,568.95.

LEAGUE OF NATIONS

Mr. POULIOT:

1. What was the number of delegates of the several nations, present at the fifteenth assembly of the League of Nations at Geneva in the month of September, 1934?

2. Which members of the other delegations did the Canadian delegates meet officially?

Mr. BENNETT:

1. Fifty-four members of the league were represented throughout the fifteenth assembly of the League of Nations at Geneva in September, 1934; the number of delegates from these states was 140. Two other states were admitted towards the close of the assembly.

2. Such members as participated in the work of the several committees.

IMMIGRATION 1930-1933

Mr. BRADETTE:

1. What was the total number of immigrants that came into Canada from every country of the world during the years 1930, 1931, 1932 and 1933, respectively?

2. What number from each country?

Mr. GORDON:

1. 1930, 104,806; 1931, 27,530; 1932, 20,591; 1933, 14,382.

2. Statement follows:

Statement of Immigration to Canada, by Origins, for the Calendar Years 1930, 1931, 1932 and 1933

	1930	1931	1932	1933
Albanian	32	5	....	....
Arabian	5	1	2	....
Armenian	27	5	1	7
Belgian	329	54	40	26
Bohemian	11	....	7	....
British—				
English	17,069	4,599	2,101	1,412
Irish	4,862	871	350	278
Scotch	8,903	2,010	800	561
Welsh	875	198	76	53
Bulgarian	353	14	12	12
Chinese	....	....	1	1
Croatian	600	113	93	102
Czech	246	69	69	52
Dutch	1,110	38	30	25
East Indian	80	52	61	35
Esthonian	83	8	....	1
Finnish	2,749	100	32	45
French	424	94	90	76
German	10,602	797	562	389
Greek	530	23	34	29
Hebrew	3,702	214	313	420
Italian	1,104	467	280	253
Japanese	217	174	119	106
Jugo-Slav	491	65	48	65
Lettish	33	1	3	3
Lithuanian	612	59	43	42
Magyar	3,279	493	311	484
Maltese	16	5	2	....
Montenegrin	3	....	....	....
Moravian	5	....	3	....
Negro	136	14	9	16
Persian	1	1	1	....
Polish	4,968	560	379	360
Portuguese	5	....	2	1
Roumanian	245	28	31	27
Russian	1,017	71	74	63
Ruthenian	8,045	503	438	378
Scandinavian—				
Danish	1,184	65	49	46
Icelandic	25	....	1	....
Norwegian	1,049	66	54	29
Swedish	1,022	62	34	13
Serbian	191	34	30	25
Slovak	2,595	338	253	400
Spanish	6	10	6	7
Spanish American	1	1	1	4
Swiss	257	37	17	21
Syrian	67	15	20	13
Turkish	8	1	....	2
Totals, via ocean ports	79,174	12,335	6,882	5,882
From the United States	25,632	15,195	13,709	8,500
Grand totals	104,806	27,530	20,591	14,382

CHAPEL POINT, P.E.I. WHARF

Mr. MacLEAN:

1. Was Chapel wharf, in King's county, Prince Edward Island, repaired in 1934?
2. If so, how much money was spent on this wharf?
3. How much money was paid out in wages?
4. How much per day did the foreman receive?
5. How much per day did the average labourer receive?

Mr. STEWART (Leeds):

1. Yes (Chapel Point wharf).
2. $2,978.66.
3. $1,264.55.
4. 60 cents per hour.
5. 30 cents per hour.

QUESTIONS PASSED AS ORDERS FOR RETURNS

DEBT ADJUSTMENTS

Mr. REID:

1. How many requests have been made for debt adjustments or compromises in the province of British Columbia since July, 1934, to the end of 1934, under the act to facilitate compromises between farmers and their creditors?
2. How many were adjusted during the same period?
3. How many requests have been made for debt adjustments or compromises, under the above act, to the official at New Westminster, British Columbia, up to the end of 1934?
4. How many adjustments have been made during the same period?
5. What was the total amount of the debts of those applying, in British Columbia, for adjustment under the act, up to the end of the year 1934?
6. What were the total reductions made in the compromises which have been effected during the same period both in the province and in the district of Westminster?

Mr. RHODES: Return tabled herewith.

UNEMPLOYMENT RELIEF

Mr. ROBERGE:

During the years 1933 and 1934, what sum has the federal government paid for direct relief, without the provinces or the municipalities having been called upon to contribute, to the following provinces: (a) Ontario; (b) Manitoba; (c) Saskatchewan; (d) Alberta; (e) the Yukon Territory; (f) New Brunswick; (g) Nova Scotia; (h) Prince Edward Island; (i) Quebec?

FARMERS' CREDITORS ARRANGEMENT ACT

Mr. MacLEAN:

1. Who has been appointed as official receiver in each county in Prince Edward Island under the Farmers' Creditors Arrangement Act, and what salary does each receive?
2. Do any of those so appointed hold any other office under the dominion or provincial governments? If so, what office and what salary is attached to it?
3. Who has been appointed registrar under this act for Prince Edward Island and what salary does he receive?
4. Has a provincial board of review been appointed under this act for Prince Edward Island? If so, what are the names of the chief and other two commissioners, showing the salary each of them receive and indicating the one who represents the creditors and the one representing the debtors?

Mr. RHODES: Return tabled herewith.

MOTIONS FOR PAPERS

TRANSLATORS' SALARIES

Mr. BRADETTE (for Mr. Perras):

For a statement showing all salaries of the 91 translators who, according to the explanatory notes to Bill No. 4 (an act respecting the Bureau for Translations passed by the House of Commons, May 28, 1934), receive the aggregate sum of $252,000 annually, as on January, 1934.

REPORTS TABLED SINCE OPENING OF SESSION

Mr. BRADETTE (for Mr. Perras):

For a list of all reports published in English and tabled in the House of Commons since the opening of the present session, and also for a list of all reports published in French and tabled in the House of Commons since the opening of the present session, with the date on which each of such reports was tabled.

GREEN RIVER—RIVIÈRE VERTE STATION, N.B. MAIL SERVICE

Mr. MICHAUD:

For a copy of all documents, letters and telegrams, exchanged between the Post Office Department and any other person or persons, from June 1, 1933, to February 1, 1935, relating to the carrying of the mail between Green River post office and Rivière Verte station in the county of Madawaska, in the province of New Brunswick.

ST. JOHN RIVER INTERNATIONAL BRIDGE PAINTING

Mr. MICHAUD:

For a copy of all documents, letters and telegrams, exchanged between the Department of Public Works and any person or persons from June 1, 1934, to February 1, 1935, relating to the painting of the International bridge on the St. John river, between Madawaska, Maine, and Edmundston, New Brunswick.

ROTHESAY, N.B. MAIL CONTRACT

Mr. MICHAUD:

For a copy of all correspondence, letters, telegrams and other documents, exchanged from June 1, 1933, to January 31, 1935,

between the Post Office Department and all other persons, relating to the contract for the carrying of mails between post office Rothesay, New Brunswick, and the railway station.

MARKETING ACT

Mr. MacLEAN:

For a copy of all correspondence, letters, telegrams and other documents that have passed between the government of Canada or the central board appointed under the Natural Products Marketing Act, 1934, and any person or persons, provincial governments or incorporated companies, asking for or relating to a scheme for the marketing of potatoes from or in the provinces of Prince Edward Island, Nova Scotia, New Brunswick and/or Ontario, under the Natural Products Marketing Act, since the passing of the said act to date.

C. STANLEY VAN ALSTYNE

Mr. CAMPBELL:

For a copy of all correspondence, letters, telegrams and other documents in the possession of the government, regarding the discharge of C. Stanley Van Alstyne from the penitentiary at Portsmouth, Ontario, during the years 1933 and 1934.

PETITE RIVIÈRE AU RENARD, QUE.—WHARF

Mr. BRASSET:

For a copy of the paylist in connection with the works at the wharf of La Petite Rivière au Renard, county of Gaspé, during the year 1931-32.

COULOMBE, DORCHESTER, QUE. POST OFFICE

Mr. POULIOT:

For a copy of all correspondence, letters, telegrams, reports in the hands of the government, concerning the change of the postmaster at Coulombe, Dorchester county, since August, 1930.

ORDER IN COUNCIL P.C. 463

Mr. POULIOT:

For a copy of order in council (P.C. 463), dated February 27, 1931.

PUBLIC WORKS CONSTRUCTION ACT

Mr. MICHAUD:

For a copy of all correspondence, letters, telegrams, and other documents, exchanged between the dominion government or any member or any department thereof and all other persons relating to the following items of schedule "A", chapter 59, 24-25 George V, the Public Works Construction Act: item 19, Campbellton, New Brunswick, wharf repairs; item 32, Dalhousie, New Brunswick, post office; item 41, Escuminac, New Brunswick, breakwater extension; item 49, Fredericton experimental farm, New Brunswick, new dormitory; item 75, harbours and rivers (New Brunswick only); item 98, Moncton, New Brunswick, public building.

Mr. BENNETT: It is this motion that I asked a few days ago to have stand until the hon gentleman who makes the motion was in his seat. He is asking for the typewriting of almost, I should say, several thousand documents. In every department of the public service various people have written to the ministers in connection with matters of this kind. The minister informs me that the files in his department are available to the hon. member if he desires to see them at any time, but that to take time to copy all the items involved in the words "and other documents, exchanged between the dominion government or any member or any department thereof and all other persons" would be to prepare a very, very voluminous return, and cause a very great deal of labour. If the hon. member desires to see the files they are available for him.

Mr. MICHAUD: I am glad to accept the suggestion of the Prime Minister, and shall be satisfied if I am allowed to inspect the files of the department at any time I suggest, regarding the correspondence only.

Mr. SPEAKER: The motion might stand.

Mr. BENNETT: No, he accepts that.

Mr. SPEAKER: Dropped.

PEACE RIVER OUTLET

PROPOSED CONSTRUCTION OF RAILWAY FROM DISTRICT TO PACIFIC COAST

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

That, in the opinion of this house, the Peace River country should be connected by a direct railway outlet to the Pacific coast.

He said: Mr. Speaker, I introduced a similar resolution on the last day of February, last session. The Minister of Railways (Mr. Manion) at that time moved an amendment to the resolution making it read as follows:

That, in the opinion of this house, the Peace River country should be connected by a direct outlet to the Pacific coast when circumstances permit.

He commented as follows:

This amendment is not moved with any desire of blocking the resolution, but rather to call attention to the necessities of the present financial situation. . . . I suggest therefore that the hon. gentleman accept the amendment on the understanding that it means exactly what it says; that when circumstances permit, which we trust will be in the very near future, every consideration will be given this project.

Throughout the year we have had I believe a very general improvement in Canada, in Great Britain, in other countries of the empire and also in the United States. It is only a few months ago that in the United States the recovery program was endorsed by an overwhelming majority, showing, I think,

that in the opinion of the vast majority there had been a distinct improvement in that country. A few days ago I read in the press a statement coming apparently from the Right Hon. Stanley Baldwin in which he was reported to have said that Britain was leading the world in recovery. Of course we had the radio addresses of the Prime Minister of Canada (Mr. Bennett) assuring us that the ship of state was well through the storm and that the time for definite action toward permanent reform had come. There is no doubt that anyone who is conversant with price levels, farm prices, railway freight conditions, railway earnings and even I think unemployment figures, will concede, whatever opinions he may have about the system under which we are living, that there has been a very definite improvement in the last twelve months.

I want to say a word about the form of my resolution. I have always introduced this resolution in pretty much the form in which I am introducing it to-day, but the Peace River railway problem is not merely one of an outlet; it is an outlet with the necessary connections within the country itself. It is a problem comprising some mileage that might be considered main line and a large percentage of branch lines that will serve local territory throughout the Peace River country. Sir Henry Thornton appearing before the Duff commission in 1931-32 made the statement that in his opinion that commission was appointed about thirty years too late; in other words it was appointed to try to straighten up certain troubles that had developed in connection with the railways of this country instead of having been appointed thirty years ago when it might have prevented a number of these troubles from developing. The Peace River did have its investigation at the beginning of the thirty years and not at the end, and in 1927 a very complete survey of the Peace River country as a whole was made with reference to the 10,000,000 acres suitable for settlement and readily available. I think it may be said that the plan was studied with a view to serving that whole territory, gradually building up the railway system and providing ultimately for over 1,000 miles of railway without one mile of duplication. We have railway unification in the Peace River because the Peace River railways are to-day jointly owned, so I do not think it can be said that we are going to have any troubles from duplication such as exists in the rest of Canada.

Whenever we speak about railway development the natural tendency seems to be to bring up this question of the railway problem. What is the railway problem of Canada? It has been exhaustively studied by commission after commission and by railway experts, but I do not think that anywhere has it been suggested that either in the interests of the railways themselves or in the interest of the country generally branch lines properly laid out are anything but an asset. So I am going to argue that branch lines, or any railway that may serve local territory suitable for settlement and already settled, cannot be any part of Canada's railway problem. In the Drayton-Acworth report of 1917, in section 7 of the summary of conclusions and recommendations, I find the following:

> The development of Canada justified two transcontinental lines. It did not justify three. The Grand Trunk and Canadian Northern should have been amalgamated.

There is no suggestion throughout the Drayton-Acworth report that branch lines properly built and properly located had anything to do with creating the railway problem of Canada.

Then we have the Duff commission report, which goes into this matter somewhat extensively and from which I wish to make a few quotations. At page 41, dealing with the duplication of railway mileage it says:

> The duplication of railway mileage in Canada is of two general types:—
>
> (a) the lines of railway constructed by various owners, which lines, when they came under common ownership and operation, were found to a considerable extent to be duplicative of one another;
>
> (b) the directly competitive sections of the two principal systems which, because of unwise rivalry and lack of cooperative spirit, were separately constructed, whereas joint construction and operation, or agreement as to running rights over lines already constructed, would have served all necessary requirements and prevented much waste of public and private funds. Related to this group are lines which are functionally duplicate although not located in the same territory.
>
> These problems relate to both branch and trunk lines. Of the lines in group (a) it has been possible, since the consolidation of the Canadian National system in 1923, to eliminate a certain amount of duplicate mileage.

It then refers to the Canadian Northern and Grand Trunk between Edmonton and Red Pass Junction and between Napanee and Toronto. Then it continues:

> The principal duplications of type (b) involve main line mileage of considerable length, with long-established services.

On page 19 we find this statement:

> An outstanding feature of this large expenditure is the amount spent on branch lines.

The two railways expended, during the nine year period, $162,451,546 in the construction and acquisition of branch lines totalling 5,018·60 miles. A policy of cooperation would have avoided a considerable part of this expenditure, probably one-third. This mileage is equivalent to the provision of a line of railway extending from Halifax to Vancouver and back again to the Manitoba boundary.

Then on page 21 it is said:

On behalf of the Canadian Pacific it was stated that the company had been forced to anticipate the building of branch lines, the construction of which might have been deferred without injury to the public, and that protective lines had had to be projected under a threat of invasion by the Canadian National.

The Canadian National stated that to refrain from branch line construction would result in the system being deprived of any opportunity for reasonable and proper development. Strategic territories, contiguous to their main lines, would be entered by their rival and, while admitting that they entered upon the construction of lines not immediately required, they defended this policy on the ground that to open up new territory in anticipation of settlement and immigration, and to maintain the company's relative position with regard to the rival transport enterprise, was in the long run justified.

The only criticism is with regard to duplication; duplication of branch lines and duplication of main lines, both in the Drayton-Acworth report of 1917 and the Duff commission report of 1932.

I have before me two speeches made by the president of the Canadian Pacific Railway, Mr. E. W. Beatty. In the speech made in Toronto on January 16, 1933, he said:

Canada has a population of about ten million people. It has approximately 42,000 miles of railway, or 236 people per mile of railway. In other words, it has fewer people per mile of railway than any other civilized country. It has several thousands of miles paralleled by other miles, serving the same territory and reaching the same terminals. This constitutes our greatest individual item of waste. Why should we maintain something we do not require and maintain it at tremendous loss, and can we afford to do so?

The point in all these statements is parallel lines; two railways being built where only one was required created the problem. I argue that inasmuch as in the Peace River country the projected lines have been located so that such a situation cannot arise, railway construction there should not be held up because of any recommendation that has ever been made to the House of Commons so far as I can see by any authority competent to speak on the matter. I am willing to admit that Mr. Loree did say something about lines having light traffic, but anyone who understands the railway situation in Canada knows that branch lines on the frontier are as necessary to main lines as are the branches or roots to the trunk of the tree. They act as feeders, without them the main lines would not have the traffic necessary to make them profitable. Mr. Beatty said in respect to branch lines that they are an asset to the railway as well as to the country, railway construction must proceed if a new country is to develop and progress. The only essential is to keep that construction within reasonable bounds, which are governed by economic principles and the application of intelligence.

I think I have made that point clear enough. One cannot study the history of railway development in Canada without being struck by the tremendous swing from increasing mileage by thousands of miles annually down to practically nothing. I have before me a statement showing the number of miles of new construction coming into operation each year since 1900. I see that in 1922 we had 3 miles, in 1915, we had 4,783 miles. The average for the thirty-four years from 1930 to 1933 was about 750 a year. It was true that the vast mileages built in one year were in what has been called periods of prosperity. But I think that railway construction, the investment of new capital, was a cause as well as a result of prosperity. It is very difficult to unscramble cause and effect in a matter of that kind.

When the depression struck Canada—and I am now coming to part of the financial side of my argument—the first reaction of governments and businesses everywhere was to economize by cutting out capital expenditure, but we very soon found out that this kind of economy was creating about as many problems as it was getting us away from. People refused to invest money; government estimates were cut down; public works were not proceeded with. These were all temporary expedients, but there is not a government in Canada that has not been forced to review the problem in an altogether different way. In 1930 in this parliament we had a vote of $20,000,000 to provide for unemployment relief. Since that time I believe the government of this country has provided for the same purpose something like $111,000,000. Last year in this house we passed a bill providing $40,000,000 for the construction of public buildings. Within the last few days the hon. member for East Toronto (Mr. Church) introduced a resolution advocating a housing program in Canada, and I think the statement made by the Prime Minister in connection with that debate was very significant. The right hon. gentleman said that the purpose of

a good deal of this sort of legislation was primarily to provide employment, and that the secondary effect would be to create other employment throughout the country.

In introducing this resolution this afternoon I want to say that in my judgment it can be viewed from the standpoint of the relief of unemployment and the provision of housing accommodation in the pioneer settlements of the Peace River district, and I think it is just as capable of being considered from that standpoint as from any other. The railway problem of Canada is related to the whole economic problem of the country, and it seems to me that if we can relieve unemployment by constructing public works, by investing public money or in other ways, and at the same time do work that is really necessary or that will be necessary in the very near future, we will be doing something really worth while. I believe the settlement of the Peace River country is permanent; I do not think there is a single thing about that country to indicate that in a short time it will be farmed out, or that it will be affected by drought or anything else that will drive settlers away. From my twenty-three years' experience in that country I can say that it has all the elements of permanency so far as weather and soil conditions are concerned. I do not believe you can have a permanent agriculture without live stock, and you cannot have live stock without suitable conditions to produce grass and feed. There is no place in the Peace River district, so far as I know, where these things cannot be grown, whether it is alfalfa, grain or any kind of grass. In that country we have timber, and I think the records for the last twenty-three years will show that the rainfall always has been ample. With all these advantages, together with the fact that ground fruits may be grown at any point, I think we can expect people to come there and make permanent homes in that district.

So, Mr. Speaker, this afternoon I am asking the government seriously to consider commencing in the near future the construction of at least some railway mileage to serve that settlement which is already in existence. I am asking the government to build railways that will fit in with all the plans that have been worked out for an outlet to the Pacific coast and which, in the meantime, will serve a settlement that has all the elements of being permanent. To-day we have settlers trying to establish themselves twenty, thirty, forty, fifty, sixty and eighty miles from the railway. A few years ago the Alberta government sent Doctor Wyatt, of the Alberta research council, to the Peace River country to make an intensive survey of soil conditions. He made a survey of about 3,000,000 acres, and as a result we know that the soil is suitable for settlement. It is not all first class, but a very large proportion of it is. I should like to put on record the winnings of the farmers of the Peace River country at some of the big fairs during the last few years. I am quoting from the Grande Prairie Herald, old timers' historical section, issued about two months ago:

Eighteen World Championships Won at Chicago in Last Eight Years

Winning a total of thirteen championships in grain classes at the International Hay and Grain Show at Chicago within eight years, and in addition taking so long a list of first, second and third prizes in all classes of grains both at Chicago and at the Royal Winter Fair at Toronto and at other shows throughout Canada, farmers of the Grande Prairie district have succeeded in firmly establishing this district as the greatest grain growing area on the North American continent.

Championship wheat was first sent out of the Peace River country as far back as 60 years ago, a priest of the mission at Fort Chipewyan won a world championship at Philadelphia with wheat grown in the mission garden at the far northern outpost. Again in 1893 the late Rev. Gough Brick captured the world championship at Chicago. Then for 17 years Canada did not appear in the list of big prize winners, and the Peace River country did not undertake competition until 1923, when Herman Trelle of Wembley, exhibiting for the first time, took third prize in spring wheat, and went back to Chicago in 1926 to win the double championship in both wheat and oats.

From that time onward, the Wembley district of the Peace River country has established itself firmly as the outstanding grain growing area of the continent, with a record of five world championships in wheat, five in oats, four in peas, two in timothy and one each in rye and flax. World champion grain growers of the Wembley district since 1926 include Herman Trelle, 13 championships; Erich Andersen, two; John Allsop, one, and P. U. Clubine, one, with Robert Cochrane, of Grande Prairie, taking one. The final bid for fame was made by Wembley grain growers this season, when three young members of the junior grain club, John Allsop, Paul Sebastian and Justyn Rigby captured respectively championship and third and fourth prizes in spring wheat class, while Herman Trelle took championship in oats. Others who have figured in world championships are Erich Andersen, former oat king, and Robert Cochrane, who has swept the board at Chicago in timothy seed, of which he was a few years ago classed as the largest producer on the continent.

I think this record shows that in the Peace River we have a country with very rich soil. I believe the yields in the Peace River country over a period of years have shown that the climate is proper for purposes of production. The records show that settlement is fairly well developed along the route of the proposed outlet, and that the railway would traverse a region as rich as any in western Canada. I have mentioned before and I

should like to repeat that according to the surveys there would be 6,000 economic acres of land per mile of railway in the Peace River district, while there are only 5,000 in the rest of the prairie provinces.

What would be the significance of the construction of a certain mileage of railways, probably fifty or sixty or whatever it may be, from the standpoint of unemployment relief or that of enabling settlers to establish themselves? I believe the division would be about as follows, so far as the providing of work on a railway costing about $30,000 per mile is concerned:

	Per cent
Labour on the spot	.38
Rails and fastenings	18.5
Camp supplies, groceries, etc	9.0
Freight on materials	9.0
Forest products, i.e. bridge timber, piling, fence posts, planks, lumber, etc	6.0
Steel products, i.e. culverts, fence wire, telegraph wire, bridge iron, iron for equipment, repairs, etc	5.0
Rental of work equipment	4.0
Miscellaneous manufactured supplies	2.4
Horse feed supplies	2.2
Land purchased	2.0
Gasoline and oils	1.5
Coal steam and domestic	1.2
Interest on money borrowed for investment	1.2
	100.0

This is a matter of significance not only to settlers who without reasonable railway transportation would be unable to settle properly, but to the rest of Canada. A purchasing power would be put into circulation which would affect not only steel rails, groceries or other commodities, but would have a tendency to keep in circulation the economic wealth of the dominion.

A good deal has been said as to whether or not branch lines pay, and in this connection the Northern Alberta Railways have been mentioned. I know that all railways in Canada are to-day having their difficulties. Speaking before the Senate committee Mr. E. W. Beatty, chairman and president of the Canadian Pacific Railway Company stated that the branch lines built by that railway were not losing any more money than were the main lines. I quote the following from Mr. Beatty's statement before the standing committee of the Senate on railways, telegraphs and harbours:

> Industrial and commercial enterprises also entered new fields, and for all these, railway service was necessary. These settlements and industries owed their existence in a very large masure to the colonization and development work of the company, and it was but natural that it should look forward to a share of the traffic which they might yield. As has been said, the orderly progress of its program was affected by the action of the rival system, but the future of the company could not have been protected if it had refrained from following the march of settlement. The traffic returns of the new lines up to 1930 fully justified their construction, and the falling returns of subsequent years have been no more characteristic of the new lines than of other parts of the railway.

I have been preparing some figures in connection with operating ratios of the Canadian National Railways, the Canadian Pacific Railway and the Northern Alberta Railways. It is not possible to take one comparison and be certain that one has been fair. I believe however that a comparison of operating ratios would be a fairly safe guide as to just what a railway is doing. Having in mind the fact that all railways find it difficult to earn not only operating but additional charges, I should like to place some figures on Hansard. I find that in 1933 the gross earnings per mile of railway of the Canadian Pacific Railway amounted to $6,111; on the Canadian National Railways it amounted to $5,700 and on the Northern Alberta Railways, $1,621. The following table will serve to show the percentages of the three railway companies to earn a dollar in the years mentioned:

Company	1931	1932	1933	Average for three years
Canadian National Railways	95.69	95.96	96.74	96.13
Canadian Pacific Railway	79.36	80.70	78.29	79.45
Northern Alberta Railways	80.72	79.13	79.86	79.90

Hon. members will note that the percentage for the Northern Alberta Railways is almost the same as that of the Canadian Pacific Railway. These are figures I have taken from Canadian railway statistics issued by the Dominion bureau of statistics.

I do not believe we can have sensible and economic construction of railways by alternating between tremendous programs of construction and no construction. If we are to build railways economically we will have to do so gradually and steadily. Professor Jackman at page 30 of his book Economics of Transportation shows how the construction of the Grand Trunk Pacific Railway cost far more than was originally estimated because at the time of its construction there was an extensive construction program throughout Canada

resulting in much higher costs for rails and material than had been originally estimated. That is inevitable if we are going to have booms and depressions. It seems to me the time has come when we ought to face our problems squarely, without fear, in the full belief that Canada must develop and that we must develop it steadily. It has been said if we cannot cut off the tops of the booms and the bottoms out of the depressions we can never have stabilization.

I believe the time has come when we must face the problem about which I have been speaking. In my judgment the Peace River country must be settled. Because of weather conditions in the southern part of the province settlers will be driven to the northern areas. The Peace River area is rich in natural resources, and in this connection we must not forget what the hon. member for Cariboo (Mr. Fraser) said last year about the resources west of the mountains as well as the fertile country to the east. As undoubtedly this railway will ultimately be built I believe we ought to start right now, because there is a need for additional purchasing power, and an opportunity would be afforded settlers who otherwise might be in the bread lines to establish themselves. The time has come for some action towards the building of at least lines which to-day may be branch lines but which would work into a permanent scheme for future railway service for the Peace River country.

Mr. J. A. FRASER (Cariboo): Mr. Speaker, I do not purpose to cover the ground as thoroughly or from as wide a viewpoint as has the hon. member for Peace River (Mr. Kennedy). He has, in fact, covered the situation so well from the general standpoint that I think it could not have been better done. There is one remark that he made during the course of his address with which I heartily agree, and that was that the government of this dominion, in providing for the relief of unemployment through the construction program which they have in mind would do well to provide work for these pioneers living on the outskirts of civilization so that they could maintain themselves without having to go on the dole. That is one very good reason I think why the construction of this railway would justify itself many times over.

My hon. friend from Peace River mentioned that there were people in the Peace River country who had to go sixty miles to get to a railroad, but in the British Columbia area of the Peace River I think my hon. friend knows perfectly well that there are many people living to-day who have to go a great many more miles than sixty to get to a railway. As a matter of fact, some of the residents of the district that I have the honour to represent are attempting to produce crops and earn their livelihood as far as one hundred miles away from the railway.

There was another remark made by my hon. friend from Peace River with which I also fully agree, and that is that the construction and completion of this railway outlet for the Peace River country should be undertaken gradually and steadily. I am going to suggest that at least a start might be made on the construction of this railway to serve the people who are already located in the area and who are a great distance from the end of steel. That construction would be of very great benefit to these people. I refer to that part of the Peace River territory which lies on the north side of the Peace river and within the province of British Columbia.

In order that the general public may understand the situation may I say that the Peace River country, speaking generally, is about one thousand feet in elevation above the level of the Peace river, and that the people living north of the river in the British Columbia section of the Peace River territory have to haul all their supplies and production from that height of land down one thousand feet to the level of the river, and then cross the river, and climb up again to the same height on the other side of the river. It must also be remembered that during at least two months of the year the river is impassable on account of ice conditions, when the ferries are not able to operate. I am going to suggest, Mr. Speaker, that those people who live on the north side of the river should be supplied with railway facilities at as early a date as possible.

The northern Alberta railway lines are at present built to a place called Hines Creek, and to reach the area which I have been speaking of you have to go about one hundred miles west of Hines Creek; and 150 miles from Hines Creek would bring the railway to Hudson Hope, to the canyon of the Peace river. I suggest that as a matter of unemployment relief it would be good business for the government to provide two or three million dollars to construct that part of the line from Hines Creek west to Hudson Hope, or as much of it as that amount of money would construct. I do not think that is asking a great deal from the government, and I think the government would find that it would be money very well spent, because it fits absolutely into the scheme as outlined

by the hon. member for Peace River for the construction of the western outlet for the Peace River country. It would remain for all time as part of the main line of the western outlet, and let me remind the house and the country that both the government and the opposition are on record in favour of providing the Peace River country with a western outlet. To make a small start such as I have suggested would be a very good thing in times like these. In that area north of the Peace river we have a population at the present time of four thousand people; I am talking now altogether about the British Columbia end of the Peace River country. There are in the Peace River area of British Columbia a total of about ten thousand people, four thousand of whom are on the north side of the river, and who, as I have explained, have to transport their supplies and production from one side of the river to the other.

Mr. MANION: How many people would that branch that my hon. friend suggests serve?

Mr. FRASER (Cariboo): About four thousand people at the present time.

Now, Mr. Speaker, I wish to put on record some resolutions that I have received. The first is from the board of trade of Fort St. John, as follows:

Moved by Mr. Finch, seconded by Mr. Bruce: That in view of the fact there is no likelihood of a coast outlet in the near future and the district lying north of the Peace, being separated from the railroad by the said river, which for at least two months in the year is impassable and,

Whereas the majority of land lying between Fort St. John and Hines Creek is good agricultural land, and is in a district where a railroad could be built economically.

Therefore we respectfully urge that the railroad from Hines Creek, Alberta, be extended to the Beaton river, British Columbia, at the earliest possible date.

The Beaton river is in the centre of the area which I have described. Here is another communication from the Fort St. John Farmers' Institute, addressed to myself, under date of January 29:

Naturally we are very interested in a railway outlet for the country on the north side of the Peace river and we are writing you, respectfully requesting you to represent to the proper authorities the great need of this particular part of the country for better railway transportation.

As you are aware, at present agricultural products must be taken by truck, on roads only fit for their use during part of the year, or by the much slower means of sleigh or wagon for a distance of about sixty miles to the railhead at Dawson Creek. That is the distance from Fort St. John, it being considerably greater from other important parts of this large and fertile agricultural area. You of course also know that at certain times of the year it is not possible or practicable to get freight across the Peace river—this being a serious problem in the matter of delivery of farm produce to the railhead.

It has been stated that this country is not ripe for a railway and probably some estimate, in support of that contention, has been made of the freight at present available. Are the farmers expected to raise crops and stock to full capacity without really adequate means of shipping and with no hope of obtaining those facilities within a reasonable period? We think that this is a point that is often lost sight of. You of course have information at hand showing the extent and potentialities of this country and we are not forgetful of representations you have already made.

An extension of that branch of the N.A.R., which is on the North side of the Peace river, into what was known as the "Block," would, we think, greatly help the farmers on the north side by shortening their road haul.

Respectfully yours,

.. ..

President.

.. ..

Secretary treasurer.

I have another resolution from the North Pine Farmers' Institute, which is in the same area, as follows:

Whereas the immediate and pressing need of the western portion of the Peace River country is railway transportation facilities and more especially that vast section of newly settled country lying north of the Peace river and extending west from Hines Creek, the logical and ultimate need of the whole Peace country being a Pacific coast outlet directly west to tidewater,

And whereas the proposed Obed route is entirely inadequate to all but a small section in the southeast,

Therefore be it resolved that we, the members of the North Pine Farmers' Institute in general meeting assembled, unceasingly press for the immediate extension of the railway from Hines Creek westward to tap the Peace river block of British Columbia, to be extended eventually, as circumstances warrant, to the Pacific coast.

And now I wish to quote from a letter written by R. T. Elliott, and printed in the Grande Prairie Herald as Dawson Creek news in June of last year:

Referring again to the construction of the first section of the coast outlet railway, your correspondent received the following personal letter from Mr. R. T. Elliott, K.C., of Victoria re his recent reference to this problem, viz.:

Victoria, B.C.,
June, 3, 1934.

Many thanks for the Grande Prairie Herald of May 25. Delay in building to Finlay Forks is a crime. The trouble is to get truth into the

east. People there cannot realize the comparatively small investment necessary to bring a new great west into buying power.

That is signed R. T. Elliott.

The editor goes on to comment on this letter in the following terms:

If that is the trouble—and we agree it may be, in part—then it is up to every public body interested in the early construction of a coast outlet to keep on bombarding the east with "the facts" regarding the economic soundness as well as the desirability of this road. That the argument no longer rests upon the agricultural traffic which would move in that direction but in addition there would be made available at once immense mineral areas which as Mr. Elliott says would bring "a new great west into buying power." We are convinced that of the many speeches made at Ottawa on the coast outlet resolutions, none made a deeper impression than that portion of John A. Fraser's address where he quoted "facts" regarding the Finlay Forks area. Various speakers following, expressed their surprise and deep interest in the "new angle" he had introduced to the government. Surely this offers some hint as to the spot where the political ice is the thinnest, so let us pile on the truth till the ice breaks in all directions.

That is a comment on the address which I had given in which I attempted to lay before the house some facts in connection with the potentialities of Peace River. I am going to put on record some additional facts. I may not be able to get them all in on this occasion and I did not put them all on record when I spoke before. I have here a clipping from the Peace River Block News of August 31, 1934, in which the following statement appears:

The refusal of the railway company to extend their line from Hines Creek in to the north of the Peace River block may be excusable but it means that a large crop of grain which is being harvested in that fertile area will have to be hauled overland to Dawson Creek. . . . All supplies for the north and west have to be hauled by road from end of steel or the wholesale house at Dawson Creek and all grain and stock shipped out the same way. Surely the thousands of people depending on the roads for their very existence are deserving of some consideration.

That by the way is a criticism of the effort of the British Columbia government to keep the roads in condition. In other words, not only have they long distances to haul but the condition of the roads is hardly fit for travelling.

On many occasions the possibilities of the Peace River have been indicated and it is not necessary for me to put on the record any further facts in that regard, because they are now pretty well accepted. Last year I mentioned the mining possibilities in the area, and I would ask the house to bear in mind that the construction of the line from Hines Creek to Hudson Hope would assist mining operations in that district. But I did not then include all mining operations, because I said little about coal. I outlined what was possible in connection with the precious metals as well as in copper, zinc and lead, but I scarcely touched on coal. Now I want to give a reliable estimate of the amount of coal in the Peace River area. This area lies at Hudson Hope and the particular area in which the coal lies—that is, the coal to which this estimate refers—is on the south side of Peace River. A strip seven miles long and one mile wide southwest of the canyon contains a definite estimated quantity of 85 million tons; that is the definite estimated tonnage. It has been looked over, surveyed and estimated by competent engineers and that is their estimate. Another strip seven miles long by one mile wide south of the first strip gives double this estimate, though this latter estimate is not definite. This gives you some idea of the quantity of coal available at Hudson Hope, and I suggest that there is opportunity for the distribution of that coal through the construction of the railway.

In addition to this we have possibilities of water power development in the canyon itself. Tributary to and along the river in various places we have large quantities of timber which could be made available for manufacturing purposes. The canyon itself is eighteen miles long and there is a drop in that eighteen miles of 270 feet, and the river itself is 200 feet wide. For that eighteen miles it goes between two walls of solid granite and is only 200 feet wide and, as I say, it drops in that distance 270 feet. If the whole flow could be utilized at one or more stages of development a minimum of 81,000 horse power could be developed, with a maximum of 245,000. That will give you some idea of the other potentialities of the district. All this is tributary to the Peace River and within the area which I am attempting to have served by further railway construction. I do not think I am in any way extravagant when I ask that the government give some attention to this matter at a very early date.

In order to show that things are moving in the district and that development is taking place, and to show that there is a certain amount of production, I want to quote from the Peace River Block News of January 25, 1935:

During the past year 356 carloads of settlers' effects were forwarded from Edmonton over the entire N.A.R. system, seventeen of these being unloaded at Dawson Creek (end of steel in B.C.), one at Pouce Coupé and one at Tupper.

In addition to these cars, many settlers trekked in with wagons, etc. There are thousands waiting for conditions to pick up, so that they can raise enough money from the sale of surplus stock and equipment to make the trip, to what one writer terms "The Glamorous Peace" and make a fresh start.

Although a wet fall affected the yields in the "Block" considerably it is estimated that between three-quarters of a million and one million bushels of grain will be shipped out during the 1934-35 crop year. To date about 300,000 bushels have already passed through the elevators.

As stated in a previous issue about $50,000 worth of cattle, sheep and hogs were shipped from the district. In addition eight carloads of horses have also been sent out, bringing in approximately $12,000 net to the sellers.

I could quote other statistics to show that a very substantial production is going on in that area from year to year, and that with the extension of railway service that production would greatly increase. My hon. friend from Peace River (Mr. Kennedy) indicated that the northern Alberta railways seemed to be economically operated. They are operated at about eighty per cent of the revenue which they earn, and while not paying all the costs of interest on the money invested in these roads they still do earn a substantial amount.

For my part I think it is reasonable to ask that a start be made on the construction of this road from the point of view of the employment it would provide not only in the area itself but from the standpoint of the assistance which it would give to business throughout the country as a whole. I submit that, both political parties having definitely and sincerely promised the people that this outlet would be built, the time is now opportune for a start to be made on it, continuing from year to year until an outlet is provided to the Pacific coast.

Mr. ALFRED SPEAKMAN (Red Deer): I would like to associate myself again with the mover of this resolution (Mr. Kennedy, Peace River) and with the hon. member for Cariboo (Mr. Fraser) who has so ably supported the suggestion. I am not in the position of those two hon. gentlemen of being wholly familiar by a long residence in those districts with all of the different points which might arise in this discussion. I cannot, like them, describe in detail the varied needs, the varied resources, the potential and actual wealth of that great area, but as one coming from a different part of the west, from central Alberta, I would like to indicate the feeling which exists among the inhabitants there toward their more northerly brethren. I would like also to place particular stress upon two points which seem to me to make the immediate commencement of this project an urgent matter, and to point to the fact that this is indeed the logical time to make that commencement.

One aspect which is becoming of increasing importance and urgency is that which has relation to the great drought problem of other parts of Alberta and of the west generally, and to the fact that increasingly during the last years the Peace River country has been the mecca of those who have found themselves unable to continue in agriculture in the dried out areas. Thousands to my knowledge have set their eyes upon that district; thousands have already moved there and thousands now contemplate leaving the barren areas where they now reside and commencing a new life in that newer country. I might point out, as has been indicated so well by previous speakers, that in the Peace River area you find the last great west, the last great fertile district which is at present but scantily served by transportation facilities. You find in it the last great area of agricultural land which is well supplied by nature with moisture, where the soil is of a fertile character and where real opportunity is afforded not only for the production of new wealth but for something which I think is of still greater importance—the creation of permanent homes. The eyes of people from the less fortunate areas have been directed there. Many have gone and they have found that the greatest handicap which they must overcome is, first, their distance from the railroad, a distance which must be experienced to be appreciated, for one who has not lived under such conditions cannot possibly realize what it means to be attempting to raise farm or any other products fifty, sixty or a hundred miles from the nearest railroad. I must confess that my recollection of that situation is not of recent years, but I have a very vivid recollection as a young man of central Alberta, for I had the dubious pleasure of going there when no railways had been built north of Calgary and when we were depending for our supplies upon a railway a hundred miles away and for our mail upon an occasional stage coach. I think I can still in memory appreciate the situation of settlers in the Peace River area.

Then too, they are facing another handicap: the excessive cost of shipping their products to the markets. It is true that arrangements have been made, which under all the circumstances are perhaps somewhat fair, so that the entire additional cost of shipping their stuff back the hundreds of miles to Edmonton and then again westward to the

coast is not borne wholly by the settlers; but the additional cost is very heavy; I think it averages perhaps five to five and a half cents a bushel on wheat and when you subtract from the prices other farmers have been receiving during the latter years that additional four and a half, five or five and a half cents a bushel which those settlers must pay, you will see that additional subtraction from the low price of their product may mean the difference between success and failure. Many are now rather deterred from entering that country because of fear of inability to settle within reasonable distance of a railway and because of the cost they must incur in shipping out their grain.

There is another aspect which to my mind makes the situation exceedingly urgent. Those of us who remember, as many of us do, the real opening up and the large settlement of western Canada in the beginning of this century will recall that development rested mainly upon two certain factors. The first was the free lands, the homesteads that were offered and the opportunity afforded to men to establish themselves in agriculture at relatively little cost. Most of them however were without funds and the second factor was the one which assisted them in making their settlement; that is, that the beginning of the century was marked not only by the opening up of a great west but by a tremendous program of railway construction. Thousands and tens of thousands of those settlers were able to finance themselves and to tide over their first hard years by working on the railways, by assisting in constructing the right of way. That is a matter which should be before the members of the government at the present time. To-day and during the past months and years in the Peace River hundreds of settlers have gone there, forced perhaps from their own farms by despair and failure, starting again under more favourable auspices, but without funds and compelled to rely upon relief for subsistence during those hard years. I suggest that under those circumstances it would be the part of wisdom were a program of construction moderate in cost and degree to be carried on which not only would bring to the people of that country the transportation facilities to which I among many believe they are entitled, but would provide work for those who are making a fresh start and enable them to avoid being placed on public relief, thus maintaining their own morale, their self-respect and enabling them to pay back in the form of useful work and construction which would be of value during the coming years, the money which was paid to them.

In consideration of those two points and in consideration of the development which is only just commencing, of the opportunities afforded and of the drought problem which requires relief, I believe this is an opportune time to make at least a commencement upon that work to which every political body in Canada is committed, a work which every economist has declared sound, in order to provide for that last great railwayless area in the west the transportation facilities which will make it in the future a prosperous country, a country of homes and wealth producer for this dominion.

Mr. A. E. MUNN (Vancouver North): I wish to say just a few words in support of the resolution moved by the hon. member for Peace River (Mr. Kennedy) and so ably supported by the hon. member for Cariboo (Mr. Fraser) and the hon. member for Red Deer (Mr. Speakman). The government in power at Ottawa is, as we all know, under certain obligations to the Peace River country; that is an old story. I am not advocating that this government or any other government enter upon an extravagant expenditure, but this matter must be kept before any government that is in power. In the special session of 1930 I advocated that something be done in this connection as unemployment relief, and each year following I have said a few words in the house in support of this resolution, recommending that the unemployed start work on the road at one end or the other. It is not necessary for me to enlarge upon the natural resources of that country, we all know about them. Those of you who have not visited that country have read about it; there is no question that we have there perhaps the finest wheat land out of doors. I am going to make a suggestion. This government operates under the Department of National Defence unemployment camps. I am told that in those camps there are about 8,000 homeless men getting 20 cents a day together with indifferent board and clothing, for which they are expected to do some work. To my mind that is a disgrace to the people of Canada, and an insult to the intelligence of the men in those camps. I have visited some; I have three or four of them in my riding. After the last session I wrote the minister suggesting that instead of carrying on that disgraceful plan those men be paid a minimum wage for a short working day and in co-operation with the British Columbia government put to work to finish the Pacific Great Eastern from Burrard inlet to Prince George. I am not advocating that this government buy that road.

Mr. MANION: Will the hon. gentleman give the points again that he mentioned?

Mr. MUNN: From Burrard inlet, that is from Vancouver to Prince George. At the Vancouver end there is about thirty miles to complete. Then from Quesnel to Prince George there is something like eighty miles graded and on which a good deal of work has already been done. If this government in co-operation with the government of British Columbia would put these boys to work, give them a short day, minimum wages, decent treatment and the tools to work with, they would have that road built in a very few months. Then there would be that part built as a Peace River outlet, something like five hundred miles. As I said, I am not trying to unload that road on this government. British Columbia has it. It is a white elephant at present, but the road is there, it has to be maintained and will have to be extended some time. This government could arrange for running rights or something over it as compensation for the assistance that might be given at this time. Any government which is in power in Canada is obligated to the people in that country. Many of them went there depending on the promises made by both the major parties, and I think by my hon. friends to the left, that there should be a Pacific outlet from the Peace at the earliest possible date. I have therefore, Mr. Speaker, very great pleasure in supporting the motion.

Hon. R. J. MANION (Minister of Railways and Canals): Mr. Speaker, I have as usual listened with a great deal of interest and sympathy to the speeches made by the hon. gentlemen supporting this resolution. I have always been impressed by the remarks made by the hon. member for Peace River (Mr. Kennedy) and the hon. member for Cariboo (Mr. Fraser) who are so directly interested in the proposition. I made it my business to check up, and I find that the hon. member for Peace River from 1922 to 1935 has in each year, a total of fourteen sessions, brought up this subject in the house, and brought it up exceedingly well. And the hon. member for Cariboo on all the occasions since he came into the house has been of the utmost support and assistance to the hon. member for Peace River in this matter. I also listened with interest to the other speakers, the hon. member for Red Deer (Mr. Speakman) and the hon. member who has just taken his seat (Mr. Munn). In regard to the latter I must say that his proposal, while perhaps worthy of consideration from the standpoint of unemployment, would not help the people in the Peace River at all; his proposal was to extend the Pacific Great Eastern northward to Prince George but until there is some connection with the Peace River section that would be of no present help to the Peace River district.

Mr. MUNN: It would be a start.

Mr. MANION: Yes, it would be a start, but from the wrong end. I think the people in the Peace River territory would prefer to have it start at the other end.

The hon. member for Cariboo made a suggestion which strongly appeals to me, provided the financial condition of the country were such that the government could carry it out. He suggested building from Hines Creek to the Beaton river. The resolution which he read to the house was also submitted to me some time ago, I presume by the same people. But that project would only serve four thousand people, and would not help the other thirty-five or forty thousand, although it would at least be a start in the right direction.

The trouble again is the question of finances. I understood him to say, and I think he was correct, that it would mean about one hundred miles. I think there has been little railway built in Canada that has cost less than $30,000 a mile. The hon. gentleman whispered to me that this could be built for $20,000, but with all respect I doubt it, because the cheapest railway ever built in Canada for any distance was the old Canadian Northern, and I think it cost about $30,000. It may be that this line could be laid on the ground very cheaply, but as ordinary highways cost from $20,000 to $40,000 a mile of paved road I doubt if this could be built for less. Even taking it at $20,000 it would mean an expenditure of $2,000,000 to serve about four thousand people. That shows the difficulty of going on with the large order of providing a western outlet to the Peace River territory under the conditions that we are enduring to-day.

Mr. KENNEDY (Peace River): I think the hon. member for Cariboo was referring to the people in British Columbia, but there are people scattered along the north side in Alberta, in addition to the four thousand.

Mr. MANION: Well, that may be correct. I say that the proposal appealed to me, and I say this as sincerely as anything I have said in this house that I should like to see the government of Canada do something as a start to serve those people in that last great west and north. It is true that all parties,

certainly the two major parties through their leaders I am told, have promised that something should be done, and I have no doubt that both leaders made those promises in good faith, thinking that conditions were either going to continue in an upward trend or come back very rapidly. But, of course, the whole difficulty has been that the world condition through which we have been passing has placed Canada, together with the rest of the world, in such a position that it has been a very serious matter to consider an estimated expenditure ranging from $13,000,000 to $80,000,000 according to the number of branch lines that might be built. I understood my hon. friend from Peace River to say to-day that branch lines are more important than the outlet at the present time. I may have misunderstood my hon. friend, because I was interrupted a number of times by hon. members submitting other matters to me and I was not able to listen to all that was said, though I was here all the time.

Mr. KENNEDY (Peace River): Any outlet that may be built will be composed of branch lines serving local territory connected with the present system.

Mr. MANION: But the direct outlet itself, if it were built, would mean that a great many branch lines would have to be built in order to give the people proper service.

Mr. KENNEDY (Peace River): Ultimately.

Mr. MANION: Yes. My hon. friend read from the report of the royal commission on railways regarding their opinion as to branch lines, but I thought he left out one paragraph that perhaps should have been read. I am not mentioning this with any desire to refute his argument or to oppose his personal attitude, but when my hon. friend read a number of quotations I think perhaps he might have read the concluding sentence of paragraph 55, at page 21 of the report, which states:

> Your commissioners have questioned the representatives of both lines as to justification for the construction or acquisition of this additional mileage.

That is, speaking of the branch lines.

> The explanations given are not such as to convince us that this policy has been sound or wise.

I do submit with all due respect that there were too many branch lines built, perhaps by both parties. I am not discussing the political side of the question at all, but I believe that both railways, in the heyday of prosperity, went too deeply into the construction of branch lines throughout the west.

I shall not take very long, but if I may I should like to review the whole question very briefly. My hon. friend from Peace River and the hon. member for Cariboo felt that they had dealt with this question so often that they merely brought forward new material, and I think both hon. gentlemen presented splendid arguments. They did not review the situation, however, and in a few words I should like to mention the different propositions. There have been proposals in regard to four outlets from the Peace River district, the Aggie-Obed route, which would link up with the Canadian National on the east side of the territory; the Monkman pass route, the Peace pass route and the Pine pass route. Just before the crash of 1929 the two railways were leaning rather strongly towards the Peace pass outlet, which would connect up the Peace River territory with the Pacific Great Eastern railway, which was mentioned by my hon. friend who has just resumed his seat. But when the crash came the two railways, headed at that time by Mr. E. W. Beatty and the late Sir Henry Thornton, took the attitude, which they have maintained consistently since, that they could not afford to go into any expansion of this kind. They took the position that if branch lines or outlets were to be constructed from the Peace River territory the country would have to do it alone, with no assistance of any kind from the railways except perhaps in connection with operation. They took the attitude that at least ten times the present traffic would be necessary to make the outlet by the Peace pass pay.

There have been four investigations into this question. I should like to refer to the last one, the investigation of 1932. I have in my hand Hansard of last year, from which I should like to quote the report in connection with that investigation, because it puts the whole situation in a concise form. That commission was made up of Mr. Gzowski of the Canadian National Railways, Mr. Fairbairn of the Canadian Pacific Railway and Mr. Crysdale, who was recommended by the province of British Columbia. I should like to read three paragraphs from their conclusions:

> In view of the above, our conclusions are:
> 1. No western outlet is justified for the present, as the existing railway furnishes the most economical route. It will take many times the present traffic to justify another railway outlet.
> 2. The Obed route —

To which I have just referred.

—for a western outlet is the most favourable from a railway economic standpoint, considering the present phase of the railway situation.

While it is not mentioned it must be admitted by those who understand the territory that the Aggie-Obed route, to which I have referred, would mean a considerable amount of back haul.

3. We recommend that the matter of a final route be decided when the question is a practical one, believing that by the time the volume of traffic has reached a point where a western outlet is justified, general and possible local conditions may have materially changed. When the decision is imperative, the whole situation should be reviewed, in order to appraise all the contributing factors, including the potential traffic which may accrue from the lines beyond the definite areas included in this report.

That is a summing up of their report. It may be added, as I pointed out last year, that not only did Mr. Beatty and Sir Henry Thornton agree with this report, but Mr. Brownlee, then Premier of Alberta, appeared before the royal commission and took very much the same attitude. As a matter of fact Mr. Brownlee went so far as to say that in his opinion, and in the opinion of the government of Alberta, it was not so much an outlet from the Peace River district that was required as it was more branch lines. That was his conclusion, after giving the matter a good deal of study, and I must confess that I never saw Mr. Brownlee here in Ottawa at any of the interprovincial conferences without being impressed with the fact that he was one of the sanest and ablest of the western men attending those conferences.

I merely add this word, that the total program is still out of the question; I am quite frank about that. The people of Canada simply have not sufficient money at the present time to embark on a program embracing anything like the complete Peace River project, which would cost anywhere from $13,000,000 to $75,000,000 or $80,000,000, according to the number of branch lines required. Speaking personally, however, because the matter has not been discussed at any length, I must say that I am impressed with the proposal of the hon. member for Cariboo, in association with the hon. member for Peace River, that something should be done looking to the ultimate construction of a westerly outlet from the Peace River area. I may say quite sincerely that so far as I am concerned I shall endeavour to have this matter given fair and reasonable consideration.

It must be pointed out, as well, that since this section became settled the rates have been brought down very materially. For example, in 1921 the rate on grain from Grande Prairie to Fort William was 63½ cents per hundred pounds. In 1925 the rate was reduced to 35½ cents, not much more than half the former rate, and that is the rate in effect to-day. In 1921 the rate on grain from Grande Prairie to Vancouver was 58½ cents; it is now 28 cents, or less than half the previous rate. While some aid has been afforded in that way, it does not, of course, assist the settler who is 50 or 100 miles from railway service of any kind; I am quite free to admit that. It is true that world conditions are improving, I think with reasonable rapidity, and as the hon. member for Peace River has pointed out conditions in Canada have been improving as well. Last year the two railways combined, namely the Canadian Pacific Railway and the Canadian National Railways, took in of gross revenue about $27,000,000 more than they did in the previous year. I believe the hon. members for Peace River and Cariboo, and other hon. members who may be interested to a lesser degree, may feel that there is more hope at the present time of something being done than there has been for some years. At the same time we must remember that even last year, with increased traffic, the Canadian Pacific Railway earned only sufficient to pay its bonded indebtedness, and the Canadian National Railway is still about a million dollars per week short of paying the interest charges on its bonded indebtedness.

I am going to take the liberty again—and I hope the hon. member will accept my suggestion—of moving the same amendment I moved last year. I assure him most sincerely that I do not move the amendment with any desire of stalling his proposal, but I do it entirely from the standpoint of honesty. It is possible that the house could accept the hon. member's motion just as it stands, but it seems to me that with the addition of the words I suggested last year, namely "when circumstances permit" the expression of the house could be made a little more honest. Otherwise, an acceptance of the motion as it now stands would be merely a pious hope and would perhaps give a greater amount of encouragement than I, in my innate honesty, desire to give. As amended the resolution would read:

That in the opinion of this house the Peace River country should be connected by a direct railway outlet to the Pacific coast, when circumstances permit.

In moving the amendment I have not in mind any desire to delay the purpose the hon. member has in mind, but it is moved so as to be quite frank with the people in that section of the country, with the hon. member and

hon. members who supported him. I would add merely this that at least I feel quite impressed with the idea that something might well be begun at the present time not only to assist the people of the Peace River section and to give them hope for the future, but as a method of assisting in unemployment relief. I assure the hon. member and other hon. members that I shall endeavour to bring about something in the shape of assistance along that line.

Amendment agreed to.

Resolution as amended agreed to.

COOPERATIVE COMMONWEALTH

PROPOSAL THAT CAPITALISTIC SYSTEM BE SUPERSEDED BY A SOCIAL ORDER IN WHICH THE PROFIT MOTIVE WOULD BE SUBORDINATED TO PUBLIC SERVICE.

Mr. J. S. WOODSWORTH (Winnipeg North Centre) moved:

That, in the opinion of this house, since the capitalist system is failing to function in the interests of the great majority of the people of Canada, it should be superseded by a co-operative commonwealth in which the profit motive would be subordinated to that of public service and ruthless competition replaced by collective ownership under democratic control.

He said: Mr. Speaker, a few days ago when the trade agreements were under discussion the hon. member for Halifax (Mr. Quinn) commented on the fact that I had protested against the time being spent on a discussion of matters which had been dealt with several years ago, and that the suggested motion was simply one of confidence in the government. He very ingeniously suggested that I should be the last person to protest because the resolution standing in my name was in effect a vote of confidence in the Co-operative Commonwealth Federation. In one respect he is correct, but he failed to catch my point, namely, that in the resolution then being discussed we were asked to endorse a decision which had been made three years ago. In this resolution we are asked to endorse certain principles which we trust will be accepted in years to come.

Mr. MACKENZIE (Vancouver): You did the same thing two years ago.

Mr. WOODSWORTH: Three years ago my proposal along these lines seemed to some rather academic. However two years ago when I introduced a similar resolution I was in a position to call attention to the formation of the Cooperative Commonwealth Federation. Last year matters had advanced to a stage where we were able to present a carefully considered program. After the past year and a half we are in a position to report still further advances, because in the three provincial elections, namely in British Columbia, Saskatchewan and Ontario, some 300,000 votes were polled for the candidates of the Co-operative Commonwealth Federation. I interpret that fact to mean that 300,000 people have endorsed the resolution I now have the honour to move. In the provinces of British Columbia and Saskatchewan the Cooperative Commonwealth Federation is now the official opposition. Recently in the cities of Winnipeg, St. Boniface, Windsor and Toronto men identified with the Cooperative Commonwealth Federation have been elected mayors. For these reasons I submit the matter before us is no longer academic.

Before we may bring forward a suggestion of a new social order it is necessary to convince the general public of the bankruptcy of the old order. To-day I have very great pleasure in calling as my chief witness no other than the Prime Minister (Mr. Bennett) himself. I regret that at the moment he is not in his seat, but I believe we owe him a debt of gratitude for his radio speeches in that for the first time a Prime Minister of Canada has frankly recognized that the present system is no longer sacrosanct and has himself taken the lead in condemning that system. The Prime Minister expressly suggests that the capitalist system should be judged on its merits. In my view that is an excellent statement. In his first radio speech he said, "The economic system will be examined without prejudice," and further, "If it has failed we must change it." That has given me courage to suggest in what ways it should be changed.

I would call attention to the fact that in their comments newspapers seem to have had the idea that we of the Cooperative Commonwealth Federation want to abolish capital. According to the economist capital is simply that wealth which is used to produce new wealth. Our capital consists of our mines, our factories, our railways and so on. No one wants to abolish capital, but what we do suggest is the abolition of the capitalist system, namely the system under which wealth is largely concentrated in the hands of a few. In its modern form at least, that system is of comparatively recent origin. It has grown up in the last one hundred and fifty years, since the introduction of machines into Great Britain, with the resulting organization of industry, commerce and finance. We desire, then, to abolish a system whereby the control of those means of production is so largely centred in the hands of a few.

The Prime Minister further has recognized that the capitalist system did serve a useful function. I quite agree with him in that. He says:

> The old system served you well, but it ended in a nuisance. Is that so or not. It ended in a condition under which there has been universal depression and unemployment and poverty in the midst of plenty.

If that is true, and I quite agree with the Prime Minister, then it is high time that we began to ask ourselves whether we cannot discover some system which will lead us out of our difficulties.

The Prime Minister also very thoughtfully discussed the question that bothers a good many, and that is: If the system worked well in the past, why should it not continue to work? I quote the Prime Minister again:

> Possibly some of you will maintain that because the system has served us well in the past there is a presumption in favour of its continuing to do so in the future, but clearly there is no proof that it will do so. Indeed present conditions are surely proof that it will not.

And he goes on to say it should be reformed. Now I would go further than the Prime Minister went in this regard. I believe that the present system cannot work much longer. It worked in England a hundred years ago because her surplus products were exported to other countries. At first it was merely commodities that were exported, but later on we find the export of capital goods, and then when the system was set up in other countries there came about that extreme rivalry that led to a great many international complications and that finally I believe was the basic cause of the world war. Those who had been our customers became our competitors, and we have now reached the stage when nearly all the more forward nations have adopted the capitalist system. Japan is the last great nation to adopt it, and to-day we know that owing to their efficiency and their lower standards of living, and perhaps to the depreciation of their currency and other financial factors, the Japanese are able to outbid some of the older capitalist countries in the markets of the world.

Now we face the fact that nearly all countries are attempting to get these outside markets. I submit, Mr. Speaker, that it is elementary that goods must be sold either at home or abroad. Until recently we have had an expanding foreign market, but to-day that market has ceased to expand and in fact it is beginning to contract for every country. No nation can hope to have the same opportunities that it had before.

[Mr. Woodsworth.]

What about our home market? Here is where we get into difficulties because under this capitalist system the people have not the consuming power to buy back what is produced; that is the real difficulty to-day. The government faces somewhat the same difficulty when they find it next to impossible to pay the interest on their bonded indebtedness and at the same time to extend social services. If they could extend social services, undoubtedly that would help to lift the depression, but they cannot do that and at the same time pay the interest on their bonded indebtedness. Industry is in much the same position. If it were possible for employers of labour in Canada to double their payrolls in every direction it might be possible to get things moving and to recover prosperity again, but I venture to say there are very few employers to-day who are in a position to increase their payrolls and at the same time meet their interest charges and overhead expenses. So that governments and the industrial world alike are prohibited from doing the very thing and the only thing that would save the situation. There is the anomaly that faces the world.

I have said before, and I repeat it, that years ago when I was trying to read some social economics I could not understand the phrase that was often used, "the inherent contradictions of capitalism," but I think we have reached the period when the inherent contradictions are beginning to manifest themselves. I submit that what worked a hundred years ago when only one nation had adopted the system is not working to-day when almost all the leading nations of the world have adopted this system. I could not get a better witness than the Prime Minister to testify to the evils which have developed under capitalism. I quote him:

> Many faults and injustices in the capitalist system . . . child labour, sweat shops, slave wages, crushingly long hours, inequality of benefits, low prices to the primary producers, high prices to the ultimate consumer.

The Prime Minister must surely have been reading the evidence given before the price spreads committee because that is a very fair summary of the evils revealed in the evidence there. The Prime Minister goes on:

> The selling price . . . . sometimes influenced by unconscionable monopolistic purchasers or by certain types of middlemen and distributors, some of whose activities would properly include them within the class of economic parasites.

I always like the Prime Minister's phrases. "Economic parasites" is a good phrase, and I have no doubt it will be re-echoed on a great

many soap boxes across the country. In fact, I rather think the Prime Minister caught it from some soap box orator.

Mr. BENNETT: I think I got that from the hon. gentleman.

Mr. WOODSWORTH: Possibly; I quite agree. I am glad that what I have said along these lines has not been without certain results. The Prime Minister goes on to talk of:

> Men whose mounting bank rolls loom larger than your happiness, corporations without soul and without virtue.

Again:

> Behold the sad and idle multitudes throughout the world. If the system is functioning as it should, why are there so many unemployed?

That is the question I should like to hear asked again and again. If the system is functioning why are there so many unemployed?

The Prime Minister concludes on this point:

> The real answer is that there is something wrong with the system.

Mr. POULIOT: He spoke as if he were your disciple.

Mr. WOODSWORTH: Well, I should be very glad to have him as my disciple if he had been truly converted.

Mr. POULIOT: Then you would have to apply discipline.

Mr. WOODSWORTH: The Prime Minister goes on to say:

> Many fail to realize what unemployment means. It is a visible expression of the inherent defects in the capitalistic system.

Again I like the phrase—the inherent defects in the capitalist system. I think that is our trouble to-day. It is not a question of this or that small defect. It is a case of our having to face the inherent defects of this capitalist system which has grown up in the last hundred or hundred and fifty years. I quote the Prime Minister again:

> Canada on the dole is like a young and vigorous man in the poorhouse. The dole is a condemnation, final and complete, of our economic system. If we cannot abolish the dole we should abolish the system.

I heartily concur. If we cannot abolish the dole, then let us abolish the system.

Mr. HANBURY: He said, "if."

Mr. WOODSWORTH: Yes, he said "if," and I would like to ask if the Prime Minister is taking any steps to abolish the dole.

Mr. BAKER: Unemployment insurance.

Mr. WOODSWORTH: Unemployment insurance does not touch the question. Unemployment insurance will not assist anyone now on the dole.

Mr. BAKER: We are on the way.

Mr. POULIOT: It will not even assist the baker.

Mr. WOODSWORTH: I know it might be possible for the federal government to transfer this matter to the provinces, to have an unemployment insurance scheme to which certain classes would be asked to contribute and from which certain classes would receive benefits. That is all very well, but it does not touch the half million people now out of work, who together with their dependents number over a million. What does the Prime Minister propose to do with them? So far there is no answer, and I think we have to admit that since the right hon. gentleman is the Prime Minister of the country, since he earlier recognized that unemployment was a national problem, he must either abolish the dole or, if we are to use discipline, we insist that we abolish the system.

I am glad to say that the Prime Minister, for the first time as far as I am aware, has also frankly recognized that the trouble does not lie in the weaknesses of individuals. A great many people say that if a man is out of work it is his own fault. Or that if a man is overcharging or exploiting the public you have to deal with him; because he has not the love of God in his heart he should be curbed in some way. The Prime Minister sets out clearly the real situation:

> Individuals did not cause the faults in the system: Growth and change in the system were primarily responsible for that:

I agree; it is not a case of dealing with individuals, of getting rid of a few greedy or shiftless people. We have to deal sooner or later with the system itself. The Prime Minister gives us a little review of capitalism:

> The industrial machine became more efficient, more powerful, more concentrated.

Again:

> Only since the war has there been that turbulent advance, that frantic development, that terrific concentration of business, that overcapitalization of industry which had an ending, at least of a certain sort, in the crash of 1929.

In another paragraph he tells what that crash meant:

> What we called the crash of 1929 has been the crash of the system which has broken down under the conditions under which the capitalistic system was born.

In other words, in these earlier addresses of his the Prime Minister recognized clearly, or he tried to make us believe that he recognized clearly, that the system was done for. He then proceeded to outline some of the more recent developments of the system. He

was at the time suggesting that Liberalism had not kept pace with the development, and I quite agree with him, for it is the worst indictment of Liberalism that its program has not kept pace with the economic developments. The right hon. gentleman outlines these developments in some very fine phrases:

> **The practices of business men were modified** . . . the fine theory of the open market place disappeared . . . laissez faire weakened and died . . . concentrations of business increased . . . monopolies grew more threatening . . . capitalism became more dominant . . . the profit system did less and less toward an equitable distribution of the benefits of the system.

That is a splendid characterization of the later development. The evils, he said, flourished—

> —in the times when capitalism ran itself, ran the people, ran the state.

I submit that while the Prime Minister spoke of those conditions as being in the time of the Liberal regime, those conditions have existed for some considerable time and they exist to-day. Capitalism is to-day running itself, running the people and running the state. We have had to a very large extent unregulated capitalism. I submit that if there is anything wrong with us to-day it must be admitted that the big business people have been in control, hence they need not try to put the blame on the interference of the state. The big business men have been given a free hand; they have been given carte blanche and they have taken full advantage of it. So that if we are in a bad way to-day, big business is to a great extent accountable for the situation.

Further, we have reached a stage which might very well be described as economic slavery. There are very few people who are free to-day. A man is not free to speak in this city of Ottawa if his speeches are likely to prove unacceptable to the powers that be. Very few people are free to speak out for fear of losing their jobs. We have a species of economic slavery, and my Liberal friends can talk until they are black in the face about freedom won by the Liberals of the past, I tell them that until a man is free economically he is not really free, and political freedom has become a mere sham. The state has been and is to-day, in my judgment, an instrument of capitalism. I could have wished that the Prime Minister would do the heroic thing and break the grip of capitalism. I do not know that I have ever had any strong hopes, although the first addresses he gave really made one wonder what might be coming. The Prime Minister finishes his outlining of the devolpment of the system:

> A generation of strife; death in foreign lands, at home the fearful struggle for wealth, the dreadful siege of adversity, the march of the breadlines, the resistance of brave hearts against the prospect of unchanging want—

A scathing denunciation. But I think I have the right to ask the Prime Minister this question: What does he propose to do about it? So far the only measure he has brought down is the unemployment insurance scheme; that is all. I do not want to anticipate what may come later in the session, but that was said to be the biggest part of the social program to be brought down—an unemployment insurance scheme that does not touch the most needy, the unemployed, a scheme that will be restricted to a very small group, a scheme that excludes the farming and fishing communities, the lumbering communities and the casual workers who are in very great need, a scheme which, if carried out 100 per cent, will only bring us into line with Great Britain under the Lloyd George regime. As the Prime Minister himself said in introducing the resolution, a great many of the nations of Europe have adopted similar legislation. It may alleviate conditions here and there but it will not do anything to get at the fundamental evils of the system.

Mr. POULIOT: Scheme is the word.

Mr. WOODSWORTH: I wonder sometimes as I have read and re-read these addresses of the Prime Minister—does he really know the meaning of words? Does the Prime Minister really know the meaning of these phrases he has been using? I do not think we can allow the Prime Minister merely to declaim; we must ask him, since he is in that responsible position, what he means by these phrases.

One more quotation or so and I am through with my chief witness. The Prime Minister recognizes apparently that this system is doomed. Listen to this:

> In the crash and thunder of toppling capitalism . . .

Does that mean anything? Again:

> The old order has gone. It will not return.

Does that mean anything? He goes further in that than I could possibly go. I should say that the old order is getting pretty shaky, but I do not think it has gone yet; I wish it were. And take that last address which he gave not many weeks ago in Montreal. After he had very gracefully paid his tribute to the influence of Mr. Litvinoff, John Strachey and Sir Stafford Cripps, he said:

> The social ideal must be the determining factor in the future as the individualistic ideal was in the past.

I agree with the Prime Minister. In that regard I find myself at the opposite pole to many of my Liberal friends. The Prime Minister's position however is a far cry from the rugged individualism he has been asserting and, I would go further and say, from the individualism embedded in our laws and in our public practice. What about the relief camps? Is that project dominated by the new social ideal?

Mr. MACKENZIE (Vancouver): Call your chief witness.

Mr. WOODSWORTH: No, I do not call my chief witness; I call to my witness the thousands of young men who to-day are being demoralized under that system, the loggers, lumber workers and people throughout the country that are all being demoralized. I call the large numbers of people in our cities who are eating in soup kitchens to-day and are being demoralized. I call the families such as the one I mentioned in my opening speech of this session, where there was a tragic suicide simply through discouragement. Are we—and this is too serious to make party capital out of—any of us now trying to work out a new conception, a new social ideal?

What about the distribution of wealth? I have in my hand a study recently made of the estimated distribution of income receivers other than agricultural workers and their incomes for the census year 1930-31. The table is as follows:

Size of income for the year—	Number of persons	Per cent of total	Per cent of total income
Under $1,000	1,526,000	56.2	25.4
$1,000-$1,500	643,000	23.7	25.9
$1,500-$3,000	448,000	16.5	28.8
$3,000-$10,000	85,000	3.2	12.9
$10,000 and over	11,000	0.4	7.0

As long as income is so poorly distributed as that, surely we have not begun to catch a glimpse of what it means to have a new social ideal.

The Prime Minister suggested that under the circumstances we should reform, which according to him means regulate. If we in this corner are correct in our studies, I would say that it is impossible to reform the present system; that it is impossible effectively to regulate it and the only thing to do is to work out a new system. That is why we have gone forward with our idea of a cooperative commonwealth.

An hon. MEMBER: Words.

Mr. WOODSWORTH: Somebody says "words." No, not words; it represents a new ideal. Whether hon. members agree with us—and I would frankly admit that this is a matter for discussion and I cannot hope they will all agree with us—I contend that it represents a new ideal, one that is now being held by a very large number of people throughout the world, and one that is gradually crystallizing in the form of political parties. Undoubtedly the elections, if not the one to be held next summer, will in the near future be fought on this issue of reform and regulation or, if you will, stabilization, on the one hand and on the other the establishment of an entirely new economic system.

We suggest two things that must characterize the new system. First of all the profit motive must be subordinated to that of public service. The Prime Minister would I think be the first to admit, and certainly the former Minister of Trade and Commerce (Mr. Stevens) will admit, that under our present system the profit motive has run wild. But this is not because of the fault of the individual; it is because the system is so arranged that the big prizes go almost automatically to the most unscrupulous or those who to-day are occupying positions of special privilege. We say that the whole conception of making profit must give way to the new one of giving service to the public. That means reorganization in a great many ways. I am not one of those who suggest that we have to have a highly bureaucratic system of state socialism. I do not want that; I think there are always dangers connected with such a system. If we look at the situation as it exists in Canada, I fancy certain things will naturally be carried on by the federal authorities. We already have our railroads, one of them in name publicly owned, though the Prime Minister told us last year that it was owned not by the people but by the bond holders. Some day I hope the railroads will be publicly owned not only in name but in reality. That is one move. To-day even the Liberals or at least a certain number of them are committed to the public ownership of banks.

Mr. MACKENZIE (Vancouver): Of the central bank.

Mr. WOODSWORTH: Yes; I was giving them credit for altogether too much—to the public ownership of the central bank. At

least if the hon. member for Vancouver Centre (Mr. Mackenzie) takes that position, his leader (Mr. Mackenzie King) has not so far expressed himself very clearly on the matter. Undoubtedly the federal parliament will have to control our banking system and certain other things that are essentially general in character. There are other matters that may be taken over by the provinces, such as not merely the distribution of liquor as we have it in Quebec, Ontario and most of the other provinces at present, but possibly the distribution of bread and milk and coal and other essential public services. That can be done through the provinces.

Other things could be managed by the municipalities. We already have in my city the public hydro. In Toronto they have the public transportation system. In all these matters the difference between private and public ownership is this: that private ownership is concerned with making as much profit as possible while under public ownership we are seeking to give as great service as possible. That is true even though we have the competition of privately owned corporations with our publicly owned systems—more than that, even though most of us are obsessed with the profit motive. Some of these days we will get rid of many of these hampering ideas inherited from the past. Further than that, we would like to work toward the free development of a large number of cooperative institutions. Some time ago we had producers cooperation exhibited more or less in the wheat pools in the west and I think that principle was sound. We would have consumers' cooperatives. If I am rightly informed, about one-third, if not more of all the families of Great Britain are now members of their various consumers' cooperatives. I should like to see similar cooperatives fostered and established in this country. I should like to see the government take a strong stand in the matter of giving these cooperatives a chance, and curbing the private competitors that now make it so difficult for them to do business. Along these and kindred lines we seek to develop the cooperative principle under which the profit motive would be subordinated to the public service.

Mr. POULIOT: Would the hon. member be kind enough to tell me when it will be convenient for him to answer the fifty-five questions which I have asked him?

Mr. WOODSWORTH: I have no thought whatever of answering the fifty-five questions. I have not even read them. I shall answer questions that are relevant to the matters in hand and that have not been dealt with.

[Mr. Woodsworth.]

Mr. POULIOT: Then may I ask the hon. member to define what he means by the word "profit."

Mr. WOODSWORTH: I have not time; I have only a few minutes left. The hon. member can find the definition in the dictionary.

Mr. POULIOT: But I have not my hon. friend's dictionary.

Mr. WOODSWORTH: Further than that, under a cooperative commonwealth we shall get rid of ruthless competition, which will be replaced by collective ownership under democratic control. We have nearly all been born and brought up under an individualistic system. Many of us are children of the pioneers of this country, and we naturally like to think of carrying on each man by himself. But to-day the world has been swept into a position in which very few people are carrying on their own affairs in their own ways; we are living in the midst of a collective system. We travel on a great railway system—there are only two in this country to-day; we deal with banks—there are only some ten of them in this country to-day. We cannot start our own little individual business. The trouble is that the collective system under which we are living is under the control of a very small group of people who are using that system to feather their own nests rather than give service to the public. Under these more or less monopolistic conditions we believe that we must take the next step forward; this collective machinery should be used for the public benefit, and that can be brought about only by some real measure of democratic control. I do not mean that everything must be governed by a parliament such as this; parliament as it is now constituted is hardly fit to carry on the business entrusted to it, much less to carry on a lot of detailed business such as would be involved in taking over a number of enterprises. But we can have commissions appointed—

Mr. POULIOT: Bureaucracy!

Mr. WOODSWORTH: No, it is not bureaucracy. On those commissions would be represented the people engaged in the industry, which is an altogether different situation from what we have to-day.

Mr. POULIOT: Who will appoint them?

An hon. MEMBER: The U.S.S.R.

Mr. WOODSWORTH: Oh, someone says the U.S.S.R.—the old cry. I thought we might at least get through one debate without having something of that kind dragged in.

An hon. MEMBER: Litvinoff.

Mr. WOODSWORTH: I perceive that these gibes are being directed not against me, but against the Prime Minister.

Only last Saturday we had a meeting of the council of our Cooperative Commonwealth Federation, and I was very glad to have that council draw up a statement of our position in view of the Prime Minister's so-called reform legislation. This was not a preelection manifesto, as the papers had it. I should like to read a few paragraphs—it was in some of the papers this morning:

In the opinion of the National Council of the Cooperative Commonwealth Federation the program of the federal government is entirely inadequate to meet the situation.

Reform or reconstruction; that is the issue.

That capitalism has broken down even the old parties now agree. Debt, unemployment, insecurity, the hopeless position of youth, are signs of an economic system in decay. Their persistence and the failure of reform measures in all countries confirm the repeated declarations of the Cooperative Commonwealth Federation in respect to the economic problem.

The old parties tell us that the system can be patched up by "reforms." But if reforms have not solved the problem in other countries how can the same reform solve it in Canada?

The Cooperative Commonwealth Federation believes that capitalism can be neither reformed nor restored: Profit for the few and prosperity for the masses are incompatible. The only permanent solution of our problems is to get rid of capitalism and replace it by a new social order, the cooperative commonwealth.

Effective reconstruction must begin where human suffering is greatest. We therefore propose the following as the first steps towards the cooperative commonwealth:

(1) Finance:

Socialization of all financial institutions so as to secure control of prices and production and to finance socially useful public works and services by national credit.

(2) Agriculture:

(a) Adequate minimum income for the farmer as a first charge on his production.

(b) Statutory reduction of the farmer's debts, with prevention of forclosure and eviction.

(c) Planned extension of markets for farm products.

(d) Bringing the price level of what the farmer sells into line with the price level of what he buys.

(e) Encouragement of producers' and consumers' cooperatives.

(f) Socialization of packing and other processing plants.

(3) Labour and Social Services:

(a) An immediate large-scale program of socially useful public works, including housing financed by public credit.

(b) A national minimum wage to give every family a standard of living commensurate with the nation's capacity to produce wealth.

(c) Protection and encouragement of trade unions and workers' organizations, and an effective voice for the workers in the management of industry.

(d) National non-contributory social insurance with adequate benefits against unemployment, sickness, accident, old age and death.

(e) Socialized health services.

(f) The six hour day and five day week, to be increased or decreased according to social need.

(g) Abolition of relief camps.

The carrying through of even these proposals will, of course, involve extensive socialization of industry and social planning, as outlined in the Regina manifesto of the Cooperative Commonwealth Federation.

Mr. SPEAKER: The hon. gentleman's time has expired.

Mr. BAKER: If I may ask the hon. gentleman a question, is his desire for revolution instead of evolution?

Mr. WOODSWORTH: You can call it what you like. Ask your own Prime Minister what he means by reform.

Mr. BAKER: I am asking the hon. member.

Mr. POULIOT: Who will pay for all this?

Mr. WOODSWORTH: Who pays for all things to-day? The people.

Mr. POULIOT: But if they make no profit it would be impossible for them to pay.

Mr. R. K. ANDERSON (Halton): Mr. Speaker, I listened with a great deal of interest to the hon. member for Winnipeg North Centre (Mr. Woodsworth) in his presentation of his case. I notice, however, that he has considerably changed his policy from that of a year ago. He is coming towards the Conservative policy as enunciated by the Prime Minister (Mr. Bennett) in the speech from the throne. For the first time he has put on Hansard the policy of the Cooperative Commonwealth Federation.

Mr. WOODSWORTH: No, we did it last year.

An hon. MEMBER: This is a new policy.

Mr. ANDERSON (Halton): It is a new policy, then, because it is not the same policy as before. The hon. member objected to the discussion in this house on Thursday last of the empire trade agreements. I am going to discuss these empire trade agreements because they are part of the Conservative policy and we are discussing at the present moment the policies of political parties. The Cooperative Commonwealth Federation presented their case to the country in the last two or three provincial elections, and got considerable support; consequently they feel entitled now to

take their place as a real political party. The hon. member for Toronto-Scarborough (Mr. Harris) presented a resolution—

Mr. WOODSWORTH: Mr. Speaker, I regret to interrupt the hon. gentleman, but I submit that at the moment we are discussing a specific proposal and it is hardly fair to divert the discussion to an altogether different matter, one that is already on the order paper, one that has been discussed and presumably will be discussed again. I suggest that the hon. member is entirely out of order.

Mr. ANDERSON (Halton): We are discussing political parties and their policies.

Mr. WOODSWORTH: No.

Mr. ANDERSON (Halton): The hon. gentleman has presented the policy of the Cooperative Commonwealth Federation, and the policy of the Conservative party has been put on Hansard—

Mr. WOODSWORTH: I press my point of order.

Mr. ANDERSON (Halton): —in connection with the empire trade agreements.

Mr. SPEAKER: There can be no question about the point of order raised. There is already on the order paper, in the name of Mr. Harris, a motion with respect to the operation of the Ottawa agreements, and I think the hon. gentleman will be quite out of order in discussing them on this motion.

Mr. ANDERSON (Halton): I bow to your ruling, Mr. Speaker. Those agreements were part of the policy which led up to the program enunciated at the opening of this session in the speech from the throne, and ever since he took office in 1930 the Prime Minister has been leading up to the proposal now before the house in connection with the relief of unemployment. The hon. member for Winnipeg North Centre has given the house his policy in connection with the relief of unemployment, but that policy has been greatly changed since he first presented it here. He has also changed the name of his party by leaving out the word "federation." Evidently he is being educated by what he hears in this house, and is changing his attitude accordingly.

I should like to refer to a statement issued by the North American Life Association Company as the result of an investigation conducted by them. They take one hundred men at twenty-five years of age, and show that at the end of forty years, when most of these men have reached the end of their earning ability, sixty-one will be living and thirty-nine will have died. Of the sixty-one still living, fifty-two or more than fifty per cent of the original number, will be living on charity or will be dependent upon the assistance of friends and relatives, leaving only nine who will be independent. Of the nine, five will be working for a living, while four will have earned and set aside enough for their old age. This would seem to indicate that under present conditions it is very difficult for the average man to lay aside sufficient during his working years to take care of his old age, which would seem to show that something is wrong with the system under which we have been operating up to the present time. This depression has caused great distress throughout the country, and I should like to read the solution suggested by the ex-kaiser with regard to this point:

1. Unemployment cannot be cured by material means alone, for it is "spiritual distress."
2. While it is true that the machine threatens our entire economic life, yet the mind of man, which created the machine, will also "find ways and means of effectively meeting the excesses of technics."
3. One effective way of meeting unemployment is that of taking industrial workers out of the big cities and away from the machine-dominated factory, and "putting them to work at building streets and canals, or cultivating waste land, or colonizing them" as small farmers.
4. For the machine, as for business, certain regulatory laws must be promulgated "so that its planless, inorganic multiplication and use may cease."
5. This regulations must come about "by international agreement."

In his seclusion in Holland the ex-kaiser has been able to view what has been going on in the rest of the world.

The proposition advanced by my hon. friend is simply a socialistic program. Socialism has not been a success in the world. I should like to quote from a very pertinent article written by a Toronto man named Frederic Davidson. I do not know who he is, but his remarks go right to the point. He says:

Socialism would socialize initiative—and slay it; would submerge the gifted who alone bring forth all that makes life worth living here below. Socialism takes from those who have, by reason of their initiative and self reliance, and gives to those who have not, who never could have otherwise, without these qualities. Socialism thinks it can get nothing without taking what belongs to others. And in this it sees clearly, for socialism is sterile, non-productive.

Socialism never has produced anything in the world and never will, because it takes the people in the mass and not by the individual. The individual who has initiative.

courage and ability has always produced what has made the world better. The London Morning Post recently contained a very interesting article, from which I should like to read a few sentences:

"The moral and intellectual wealth of a nation," says Galton, "largely consists in the multifarious variety of the gifts of the men who compose it, and it would be the very reverse of improvement to make all its members assimilate to a common type. . . . "Civilizations," says Gustave Le Bon, "have been created and directed, not by crowds, but by a small intellecual aristocracy. . . . Nor can education make men equal, since it confirms the inferior mind in its inferiority while strengthening the superior mind in its superiority.

Evolution, then, does not equalize; it differentiates, and not only in individuals, but in classes. Man is said to have emerged from a primitive communism, in which all enjoyed the cold and precarious equality of the cave-level; but he has been sorted out in the course of ages into classes and vocations, every one the complement of the others, and now lives in an ordered society, highly complex and infinitely differentiated. By an atavistic impulse the socialist would obliterate all class differences and reduce mankind to its original state.

In other words socialism would reduce all classes to a common level, and all classes would be controlled by the state. Eventually there would be only two classes, the governors and the governed, and in a few generations we would be back where we were many centuries ago. Then the old fight for freedom and liberty would have to be fought all over again. The hon. member for Winnipeg North Centre says we have no liberty of speech in Canada to-day. I say we have in Canada to-day the greatest liberty of speech the world has had at any time. At the present time a man can say almost anything he likes so long as he does not advocate violence against the state. If Mr. Tim Buck comes to Ottawa he will have the privilege of addressing any number of people he can get to listen to him, if he will simply keep within the law.

Capitalism has been blamed for all the ills of life. The hon. member moving the resolution said that capitalism has outlived its usefulness, and that it must be done away with. I want to say that capitalism has been a great success, and in essence it is sound and will prevail. The capitalist is the only fly in the ointment. He is the man who has caused all the distress of the world, and he must be eliminated—not the capitalist system, but the capitalist himself. Capitalism has produced a superabundance of all the necessities and luxuries of life, and at the same time it has eliminated the sweat from the brow of man. It has made this system the greatest and most wonderful in the world's history. To talk of scrapping a system which has given such service is plain insanity. I say that to the hon. member, and any man who talks about scrapping the capitalistic system must have a loose cell in his brain and ought to have a surgical operation to cement it into place.

Mr. WOODSWORTH: Will the hon. member undertake to do the job?

Mr. ANDERSON (Halton): Probably in the case of the hon. member it would be a little dangerous. Any system which can produce such overabundance with so little labour can and will distribute its benefits to all classes of humanity, if it is given time to adjust itself to our changing needs.

I emphasize again, as I did two years ago, that the change must come gradually and imperceptibly. Impatience would create an upheaval which would destroy the system and the people themselves. We are moving rapidly enough towards a socialistic state. During the last few years we have been going in that direction very rapidly, and if we continue to follow that course we will have a socialistic system unless we bolster up the capitalistic system. I am not advocating a policy of laissez-faire, but I am supporting the policy enunciated by the Prime Minister in the speech from the throne. I would recommend eliminating the defects in the capitalistic system and bringing it up to date. The utopia envisioned by the hon. member for Winnipeg North Centre cannot function to-day; it cannot function until the human heart has been purged of greed and selfishness. That has been the cause of the downfall of the capitalistic system.

I have but a few more remarks to make, because I realize my voice is not in good condition to-day. Two years ago I advocated that the government would be wise to set up a system whereby certain of the unemployed men eligible for such work could return to small acreages of land. The idea was to take many of these men out of the towns and put them on small acreages, give them some assistance in the building of their houses, and instructions as to how to work their property. As a result they would have a stake in the country, and I believe in a few years they would be in a position to pay back what they had borrowed from the government. Some who are now discontented would be satisfied; they would have something to do, and would not be standing about on street corners and criticizing other people.

A few days ago I read in the Ottawa Journal an article written by a man from Gatineau, Quebec, who signs himself "J.J.F." Although not formerly a farmer his statement indicates he would like to get back to the land. These are his words:

> To one who, like myself, looks over his shoulder at the forty-years-old dead line, the question obtrudes itself "Whither goest thou?" The answer always is: "I do not know." And there are many who must make the same unsatisfactory reply.
>
> There could, however, be a different one. There is a solution for such as I. Merely the agency to give it effect is lacking. It is a modified "back-to-the-land" movement. Not back to the farm—I have never done farming on a large scale—but back to the land nevertheless: To the large garden and the raising of fowl, etc. These things I have done, and could do again. It is no royal road to riches but it is a highway to a living, to peace of mind, to self respect and to the lost luxury of work. It would put back the "dead line" another twenty years.
>
> There must be, I am sure, many suitable locations for such an enterprise, which are now either temporarily vacant or abandoned. The only immediate needs are two to five acres of land, a house that can be made habitable and water. Given such a location free for one year, I would guarantee to pay rent thereafter and eventually to buy. There are many others, I feel certain, who would take advantage of such an opportunity.

That is one way to employ the unemployed. From the Chicago Daily News I have extracted the following to indicate the cost of employing the unemployed in public works undertakings:

> There is no costlier form of relief than public works. Take one point of the new program, the elimination of grade crossings. The New York Times has made a study of the elimination last year of a grade crossing at Great Neck, New York, half by the state, half by the Long Island Railroad. The job gave direct employment to 185 men for eleven months at an average cost per man of $3,500. Direct relief for each man would have cost $432. To employ these men, in this case, cost eight times as much as direct relief would have cost.

That is a most interesting commentary on the expensive proposition of giving employment to unemployed through a program of public works.

In the reconstruction program proposed I would ask the government not to forget the largest class in the dominion, namely the middle class. If we are to judge by the present attempts being made towards reconstruction it is obvious the middle class will get the worst of it. They do not get any benefits from government relief. They are too wealthy to obtain relief from the government, but they are not wealthy enough to obtain the services given to labour, services which the wealthy can quite easily pay for. When they reach old age these people are dependent upon the money they have invested in bonds, stocks and securities of different kinds. The tendency to-day is to reduce the interest rates on those bonds or stocks. In a few years these people, who are now self-sustaining and would be in a position to maintain themselves in their old age, will be on the list of unemployed and will have to receive relief. I should like to ask the government, municipal authorities and industrial concerns to have consideration for and help to keep solvent that class which has paid by far the greatest amount in taxes.

At six o'clock the house took recess.

After Recess

The house resumed at eight o'clock.

Mr. ANGUS MacINNIS (Vancouver South): Mr. Speaker, in rising to say a few words in support of the resolution now before the house, I may say that I shall not take very much time to answer the hon. member for Halton (Mr. Anderson) who spoke just before the dinner recess. I can assure him that the party to which I belong has changed neither its program nor its name, although he may think so. As a matter of fact what he really thought was a change on our part was that he was hearing advocated in other quarters some of the policies we have been advocating for years, and becoming more familiar with them he does not now think them so wild and terrible as they appeared to him two years ago. The change really has been in himself and not in us.

The hon. gentleman made certain statements which he himself proceeded to answer. He said that socialism had never been a success anywhere. Then he told us that we were proceeding as rapidly as possible towards socialism, which from his point of view cannot be a desirable thing. Then he told us that capitalism was an unqualified success, and from statistics went on to prove that about eighty per cent of the people under the capitalist system died in poverty, leaving no property, not even enough to bury them. With that I agree.

I should like to answer the question asked by the hon. member for Témiscouata (Mr. Pouliot) as to who is going to pay for all these social improvements we are suggesting. Who is going to pay for all these improvements in human society? As a matter of fact, I think it is fairly easy to tell him who is going to pay for them. Wealth can be and is produced only by applying human labour to natural resources. Then those who are going

to pay for everything are those who apply that labour. When we look around us and see the wealth on every hand—our great cities, our farms, our great industries, our railways—that is the wealth of the world, and that has been created by human labour. The reason we are in the depression we are in to-day, Mr. Speaker, is because labour did not get enough for producing that wealth, and that is the answer to my hon. friend's question as to who is going to pay.

The thought in this resolution is the most important question before the people of the civilized world to-day. It is the topic of conversation wherever a few people are gathered together. That is, can the present capitalist system be reformed, or what are we going to put in its place? These are the questions that are uppermost in the minds of thinking people to-day, and anyone who does not consider that question important is dead from the chin up.

Two years ago when a similar resolution was moved in this house there was a great deal of opposition to it, of course, and no doubt there are a great many people to-day who will not accept the thought embodied in the resolution. However, regardless of the reception which the resolution may receive, I am quite satisfied that the ideas which we are putting forward are making progress and are meeting with a more and more favourable reception every day.

I have said that almost all thinking people the world over who are giving any thought to the questions of the day are inquiring and thinking about these changes that must come about. I recollect that last session the hon. member for North Waterloo (Mr. Euler) touched on this subject in his speech on the address in reply to the speech from the throne. At page 612 of Hansard of 1934 he said in part:

> If I may take just a few more minutes I should like to conclude with a few observations upon a subject which I regard as of even greater importance.

That was of even greater importance than the question he had just been discussing. He went on:

> I believe that by legislation of some sort, by planning or by some adjustment, there should be brought about in this country a condition whereby the spread between the return to labour and the return to capital should not be so great. I have made that statement before in this house. I do not know whether it is the enunciation of a socialist doctrine, but I believe that if the man who produces, who labours on the farm, in the factory—and perhaps I am thinking more particularly of the factory—in the mine or elsewhere does not receive enough money in return to enable him to buy back that which he produces, you are bound to have depression.

That is very clear, and as I said a moment ago, the reason we have this depression to-day is that those who have produced the wealth of the world have not received sufficient for producing it to enable them to consume or use it. The hon. member for North Waterloo went on:

> I am not going to say just how that is going to be brought about. My friends in the corner say that it can be done only by entirely scrapping the present system. I am not ready to go so far as that; I do not believe my hon. friends in the corner of the house are ready to take hold of matters and bring all these things about. If we did anything of that kind I fear we might end in chaos, a condition which would be worse than what we have to-day.

Of course, whether it would be better or worse would depend altogether upon the person who is speaking. I know a great many people in this dominion who think that their condition at the present time could not be any worse than it is now. I am doubtful if the hon. member for North Waterloo realizes what we mean when we say that this system must be scrapped or abolished. I hope he has not in his mind the idea that we wish to destroy the capital or industrial equipment that we now have. That is not what we mean at all, and no sensible person who gave the matter a moment's thought would suggest that we were thinking of anything of that kind. Capital is not so much a material thing as it is a social relationshp, and it is that social relationship and the purpose for which we now use capital that will have to be abolished or scrapped—whichever word you prefer—and not the equipment itself. When we have changed the purpose of production, that is, when we begin to produce things to meet the needs of the community and not for the purpose of making profits for the owners of the machinery of production, then we have abolished capitalism; but we have not abolished the equipment and the instruments of production, which is altogether a different thing.

I should like to quote an authority who has been quoted in this house on previous occasions, if the hon. member for Témiscouata will bear with me in this. Sir Arthur Salter, who has also been on the air recently, makes this statement:

> We cannot restore the old competitive system. We must recognize that there must be increasing socialization and increasing control of such activities as are not completely socialized.

Two years ago Sir Arthur Salter would not have gone so far as that, but he has been

thinking. He has been observing the development of economic conditions, and he has come to the conclusion that there is no solution for our problems except more and more socialization, more control of the means of production and distribution.

The resolution now before the house is in two parts. The first contains a statement of fact, that the capitalist system is failing to function in the interest of the great majority of the people of Canada. There is not the slightest doubt about that. The second part of the resolution recommends that since the present system is failing to function it should be replaced by a system that will function. Although the resolution does not say so explicitly, the implication is there that the system is failing to function because it is based on the profit motive. Consequently the resolution asks that the present system be superseded by a system from which the profit motive will be eliminated, so that instead of competing for rewards we should cooperate for social benefit.

What should be the objective of any rational system of production—any economic system? The rational objective of any economic system should be the supplying of the social needs of the people as fully and on as equitable a basis as possible. Measured by these two reasonable and attainable ideals, our present system, everyone must agree, has broken down and the opponents of the resolution must admit the failure of the system or else in some logical way justify the glaring paradox of our time, poverty in the midst of plenty. Those who disagree with the resolution virtually maintain that property rights are more important than human rights; that on the one side are the few with property and on the other side the many with their needs, and that they are going to stand with the few and with property. There is no middle course whereby each should have consideration. If we follow profit then we must leave the road that leads to social service, and vice versa. I have here a copy of a pamphlet which I believe each of the members has received. It is a report of the findings of a commission which was appointed by the United Church of Canada in 1932. After considerable study the commission embodied their findings in this report, the title of which is Christianizing the Social Order, and the report is signed by Sir Robert Falconer and Doctor W. T. Brown of Victoria College, Toronto. In a paragraph dealing with the defects of modern industry they say:

> Despite the enormous gains made possible by the employment of modern science in the service of human needs, we are confronted with a new fact—dire want in the midst of plenty. Production is deliberately restricted and produce is destroyed, not because it is not needed, but because that procedure promises higher prices. Human energy is often diverted from the production of the essential needs of life to socially undesirable or useless ends. Both in towns and rural areas people are compelled to live in dwellings which lack the ordinary conveniences of modern housing, or are so overcrowded as to make decency and health almost impossible; yet the material for building and the energy of builders are available in abundance.

[Mr. MacInnis.]

I have read from this report because, on looking over the Parliamentary Guide, I find that a great many of the members of the house are members of the United Church of Canada, and I would ask them to take this report and study it closely. If they do so I am sure they will find that it goes a long way in the direction of what we have been advocating in this house for the last five years.

I wish to quote very briefly once more from the report of the commission, but before doing so I must touch on another point. We have sometimes been accused of stirring up class antagonisms and engendering class hate. To this we plead not guilty. These class antagonisms and this class strife were already in existence, created by the very conditions that create classes. If we have referred at any time to classes we have referred to them only as a physician might refer to a condition he found after examining his patient. We found certain conditions prevailing in human society; we found want and misery in the midst of abundance and consequently came to the conclusion that that want and that misery, side by side with abundance, could not possibly exist except in a society where there were classes. So that we are therefore no more responsible for what we have found than the physician is responsible for the disease he may find after he has diagnosed his patient's symptoms. In this regard I would quote the Prime Minister (Mr. Bennett). He has been quoted several times to-day, but I will put one or two more quotations on the record. In his radio address on January 4 he said:

> Let us first examine income. To do so, I think it is helpful for the purpose of their discussion, to divide all recipients of income, from whatever sources, into two broad classes: non-producers, and producers or workers. . . . The non-producer does not work for his income. It is his invested money which works.

He goes on to say:

> Now, we may divide the producer or worker into three basic classes: the rural and urban worker, the agriculturist, and what is sometimes colloquially called the white collar worker. This latter class shares in common with their brethren in agriculture and industry,

the hardships of these times. Their problems are essentially the same and they stand in need of the same measure of relief from them.

All that is necessary to make that statement complete is to say, "Workers of the world, unite; you have nothing to lose but your chains. You have a world to gain."

To quote once more from the pamphlet to which I have already referred, Christianizing the Social Order:

> The strife between classes and groups growing out of the social stratification based on income, and the economic struggle for a larger share of the product of industry, is a factor of increasing significance both in national and international life. The struggle enters the international field when national groups of producers or financiers seek privileged access to raw materials or markets. This economic nationalism has now become more perilous than at any other time, for those who seek privilege within the nation tend to influence governments and to evade control; and then in their exploitation of new fields they veil their private interests in the garments of national honour and glory. When they succeed in this the economic conflict passes over into international war.

The division of the country into classes, based on ownership or income, or the access to the means of life, leads therefore to strife. Not only does it create strife within the nation; it leads to strife outside it as well, and it leads, as the report says, to international war.

I will give a further example of this class division by referring to the United States. In the United States in 1933 was commenced a program which is sometimes called the Roosevelt experiment. All of us remember the extent to which when the present president of the United States came into office on March of that year, the industrial collapse had gone in that country; the whole economic life of the nation was almost paralyzed and the capitalist class there had no idea what to do to get out of the mess in which they found themselves. Mr. Roosevelt began putting his program into effect and at the beginning there was no obstruction whatever; the capitalist class of the United States were so discredited that they did not dare to raise their voices. Mr. Roosevelt began to use the nation's credit to start the wheels of industry going, and improvement began to take place. But the moment that was accomplished the resistance from the owning class of the United States began. That resistance has continued until to-day so that the new deal is in a state of collapse. Let me assure the Prime Minister that if he goes ahead with a radical program that is worth while, that will improve the conditions of the masses of the people of this country, he will receive the same obstruction and opposition from the owning class here as President Roosevelt has received from the owning class in the republic to the south of us.

A short while ago I read in a book a statement—I believe the mover of the resolution (Mr. Woodsworth) made the statement to-day—that profits for the owners of capital and prosperity for the masses were entirely incompatible. Of course that is one reason why the present economic system cannot be reformed or restored. May I put the situation in this way: the necessity of making profits precludes the possibility of solving our problems under the present system. That is so because the capitalistic system is based essentially on the law of supply and demand; in other words, the law of supply and demand of goods and services is the governor which regulates business activity. Society itself is not supposed to take thought as to how its needs are to be supplied; that is left to the desire for gain which is inherent in all of us. No wonder we are in the difficult position in which we find ourselves! The theory is—and I believe it is correct—that where there is a demand for a commodity or service, people who have capital to invest will invest it in the production of that commodity or service. When the supply exceeds the demand, prices will fall and then capital will desert that particular field of production and seek a field in which the demand exceeds the supply. But when prices fall for the reason mentioned, profits also decrease. Therefore it becomes clear that in order that these people may continue making profits, the demand must always exceed the supply; that is, in order that profits may be made, we must have scarcity. The moment we enter into an age of abundance, such an age as we are living in now, at that moment profits become impossible. Man's ingenuity, his inventive genius, along with the kindness of nature has ushered us into an age of abundance, an age in which there is no scarcity, and consequently unlimited profits such as were made in the past are quite impossible.

An hon. MEMBER: Except by creating an artificial scarcity.

Mr. MacINNIS: Except by creating an artificial scarcity. There is however a very definite limit to that. The development of capitalism has created such a large industrial organization that large numbers of workers are divorced from all contact with their means

of livelihood and consequently have to be taken care of out of the earnings of industry in some way or another.

Some of our opponents are opposed to our policy because they say it will interfere with private property. That may be true in a sense, but the freeing of the chattel slaves also interfered with private property; yet will anyone say that that was not a step in human progress? The situation in which we find ourselves to-day is that we have slavery of another kind—the ownership of the means of production in the hands of a few and the great mass of the people without access to those means of production except on the terms laid down by their owners. Consequently they are just as much slaves as were the chattel slaves; all the freedom they have is to work, if any is available, on the terms laid down by the owners of industry, or to starve.

Property is of two kinds; there is property in the means of production, corporate property, which cannot be said to-day to be private property in any true sense of the term. No one can put his hands on the Canadian Pacific Railway or the Bank of Montreal or any of those large institutions and say: That is my property. It is corporate property. That kind of property has value to the people who say they own it or are the shareholders in it, because the community uses it. The moment the community ceases to use any kind of corporate property, it ceases to have any value. The railway companies complain about the competition of motor bus and motor truck transportation. What are they complaining about? What they are complaining about is that the community, the people of Canada, are transferring their patronage from the railways to the motor buses and trucks and consequently are taking the value out of the Canadian Pacific and putting it into the other form of transportation. What I think is quite a logical conclusion to come to is that if the people of the nation, because of using an institution of any kind, give value to it, the nation or the community should own it and use it and appropriate the proceeds of it, whatever they may be.

I would have liked, had there been time, to mention other objections that are sometimes raised to socialism, or to a cooperative system, whichever term one cares to use. One of the objections I have heard on many occasions to socialism, is that it would break up the home. At home yesterday morning I listened to a service broadcast from one of the United churches in Ottawa, and I heard the pastor pray for the homeless single men in our unemployment camps. It is strange that under a system of society that was going to preserve the home we should have in a great rich country such as Canada a class that we call homeless single men, or homeless men of any kind. It means that these men's homes have been broken up, that they have been deprived of their homes. To break up the home is one thing that socialism will not have to do; capitalism has already done it. A little less than a year ago the child welfare committee of the League of Nations took up the matter of the condition of children in poor homes. A report in the Vancouver Daily Province of April 18, 1934, says:

> Alarm over the disastrous effects of the depression everywhere is strongly expressed in the draft report of the league's child welfare committee made public at its meeting.
>
> Struck by the serious character of psychological effects produced by depression upon children, and of the strained and discouraged family atmosphere which is inevitable in homes suffering from unemployment.
>
> The committee emphasizes the necessity of removing children from the pernicious atmosphere of their own home during the greater part of the day and sending them to nursery schools, recreation centres and reading rooms in order that they may enjoy quietness and freedom from care and irritation which are essential conditions to their development.
>
> The committee recommends all governments to reexamine their legislation with a view to safeguarding better unity of the family, assuring the child's development and protecting his self respect.

We agree with that. But I think we also agree and maintain, at any rate I do, that while under certain circumstances and for a certain part of the day a child should be in school or kindergarten from an early age, yet the child who is deprived of the love and care that it should receive in a proper home is forced into society under a handicap that he will never overcome. Even if for no other reason than that, it is time we considered our social organization. These young men in our unemployment camps will carry all their lives the scars of their present circumstances, but we should at least begin to make provision for the children yet unborn, the future citizens of this country, that they may be able to build up a country of which they may be proud, although we cannot be proud of the present conditions. But we are hoping for something better. It is because of the conditions that we find about us, for which capitalism has no answer, that we ask this house to take into consideration the immediate changing over of our economic system in order that the machinery of production may be released from the restrictions placed upon it by the profit

motive, allowing us to use it to the utmost to provide people with food, clothing and shelter and give access to a full cultural life for every citizen of this dominion.

Mr. JEAN FRANÇOIS POULIOT (Témiscouta): First, Mr. Speaker, I shall answer the hon. member for Winnipeg North Centre (Mr. Woodsworth). He said this afternoon that he had not read the fifty-five questions that the member for Témiscouata had put to him on February 9, 1933. I admit the hon. gentleman may not have read them all, but he has heard a few of them, because they were recited in an audible voice in this house when he was here. The hon. member for South Essex (Mr. Gott) said, as reported at page 1950 of Hansard:

> Would the hon. member permit me to inform him that his questions are so hot that the hon. member for Winnipeg North Centre has left the chamber.
>
> Mr. Heaps: In deference to the hon. gentleman who has left the chamber, I think my hon. friend from South Essex ought to have first found out why he left it.

Then the member for Témiscouta continued:

> I do not discuss that viewpoint. I simply wish to put my questions on record in Hansard in order that everyone may take cognizance of them. My next question follows—

Sir, it is very easy to understand what has been said in plain language in this house. My hon. friend from Winnipeg North Centre heard about half the questions I directed to him, and then instead of staying to the end he left the house, a thing that he very seldom does. I am sorry that he left the house when I was not through asking him questions in very polite language. Those questions were not based on quotations from Sir Arthur Salter or from the United church or from a book whose author has not been named before by his son-in-law. They were based on pure logic. Logic is something with which the hon. member for Winnipeg North Centre is not familiar; that is the main trouble with him, he has no logic. He has not the faculty of analyzing facts. He knows certain facts, but he does not distinguish between the system and the individual. I admit that capitalists have often been wrong. Widows who have in the bank the proceeds of insurance on the life of a husband now deceased are legitimate capitalists. In a different class of capitalist is the man who took advantage of the fact that he had supported the present government to request the Prime Minister (Mr. Bennett) to increase the tariff, insinuating that trade might be increased thereby, who lied to the government in telling them that if the tariff was raised he would employ more men and pay them better wages. That is one fault I find with capitalism—no, not with capitalism, but with certain capitalists. We have sharks in this country, I admit that; but from that are we to conclude that everyone who has property of some kind is to hand it over to the control of my hon. friend from Winnipeg North Centre and my hon. friend from Vancouver South? Would it be safe for them to entrust all their investments and property to those who, though men of good faith, know nothing about the business of this country? That is not a harsh statement; I will prove it.

If all the bills these two hon. gentlemen have presented to this house had been adopted, do you think the capitalist system would have disappeared from this country? What did they do in this house to alter the laws on our statute books, the hon. member for Winnipeg North Centre (Mr. Woodsworth) since 1921 and the hon. member for Vancouver South (Mr. MacInnis) since 1930? What is their record with regard to legislation? It is nil. They cannot even boast about getting the house to change section 98 of the criminal code; it was done by the Liberal party. If our social order is so bad why did not my hon. friends come to this house and do something to change the order? What are they doing to-day? My hon. friend from Vancouver South has introduced a bill to change the elections act. What has he tried to change in the social order of this country? It is all humbug and deceit. Was that intentional or was it not? Perhaps it was unconscious; the hon. member is here to say. Those hon. gentlemen come here with the shoes of the actors in Roman theatres, one pair for comedy and another pair for tragedy.

I hear these hon. gentlemen speak about the troubles of the workingmen in this country. I have a right to speak about those social matters, because when I was on the other side of the house I was the first member to quote figures with regard to employment and low wages in the province of Quebec; my hon. friend from Winnipeg North Centre remembers that. My hon. friend from Vancouver South will not remember, because he was not in the house then. Before the labour members did anything with regard to working conditions in my native province I gave figures, which are on record in Hansard, showing how the workingmen of my province were paid in comparison with the workingmen in other provinces. I was a humble man, a lawyer, not a tram conductor, not a man

working on the wharves of Vancouver but a lawyer who meets people and tries to do his best for them. I was and am a humble man, but a man of sincerity and a man who knew where he was going. I worked for a long time with the officials of the Department of Labour, and from the bottom of my heart I thank Hon. Peter Heenan, who was Minister of Labour at the time, for the help he gave me on that occasion. What was the result? A year later legislation was introduced by the Minister of Labour in the Mackenzie King government regulating the wages and hours of labour of the men employed by the federal government. Thus a lead was given the provinces, and if that lead has not been followed it is not our fault. But may I say, sir, that what was done at that time by the member for Témiscouata should have been done a long time previously by the hon. member for Winnipeg North Centre, who never thought of it. He was busy reading this and that.

Well, sir, enough of that. If I were one of the electors of the constituency of Vancouver South, after listening to what my hon. friend has just said I would say to myself, "He may be sincere, but where is he going? He does not know his way." His leader, who preceded him, spoke about party capital. Does he forget that party capital is one form, perhaps the worst, of capitalism? That is what I wish to tell him. The hon. member for Winnipeg North Centre says, "No Litvinoff,; no Russia;" he does not like us to speak about Russia or Litvinoff. I should like to see him prevent me from comparing him with Litvinoff; I should like to see him prevent me from telling him that the only difference between the hon. member for Winnipeg North Centre and Gandhi is the goat and the spinning wheel. I am a free man, and I am here to say what I sincerely think about his policies. He comes here with a resolution so vague that he cannot explain it. That is why these hon. members have not brought in any sort of legislation to change the social order; they do not know what they want. They come with a spot-light like those who kill game in a forbidden way. They come with a spot-light to blind the eyes of the people; but God forbid that those policies ever should be adopted in Canada. They never will be, because like castles in the air they have no foundation.

These hon. gentlemen have not taken time to think over the real conditions in this country. They accept hearsay evidence all the time because they cannot form their own judgment on the facts available to them. The hon. member for Winnipeg North Centre said he had not read the questions I put to him. I will prove, sir, that he is greatly mistaken, and to do so I need only refer to another big book, the Hansard to which I referred a few moments ago. It is a wonderful book with 2,354 pages. It is a most respectable book on account of its size, and I am sure my hon. friends in the extreme corner are delighted to have such an imposing volume shown to them. We have heard something about a change that is coming in our social system, in regard to profits. Plato published a book also, and I might tell my hon. friend from Vancouver South that Plato is a man who has been buried for quite a number of centuries. He published a book called The Republic, in which he described an ideal state, something like the lost paradise, something wonderful, but a state which never existed in the world. Let us come to Plato, who describes the state conceived by my hon. friends, but to which they have not yet given birth. It is an ideal state where no one can make profit, but where taxes will be imposed upon the people. When I asked the hon. member for Winnipeg North Centre who would pay for the enormous expenditures, he said that the people would. The people will have to pay for that, while making no profit. It is a mystery. And whether or not the hon. member for Vancouver South quotes Salter, or quotes or misquotes the United church or the other churches, or quotes the book he had a few moments ago the author and title of which he did not mention. I do not see how he can explain how people will be able to pay taxes to anybody if they do not have more money than is strictly required for food, for clothes, or for lodging. If they have more money than is required for those purposes, is that not profit? It would be profit. Therefore, in the state they advocate profit will be necessary, and not only profit, but a higher profit than there is now, because taxes will be higher.

How many people are to-day unable to pay the municipal taxes on their land? If one looks at the official gazette for any province he will find it is much thicker than it was before. Why? Because so many lands are being sold; people cannot pay their taxes; they have no money now. My hon. friends will advocate this garden of Allah; it is very fascinating, but it is just a cross word puzzle, a jig saw puzzle, something extraordinary. Under their system people will make no money, make no profit and pay more taxes. I am reminded of the story about the ship which was 300 feet long, 35 feet wide and had

a displacement of 10 feet. There were 400 people on board, together with a crew of 40. The ship had three funnels, two masts and two screws. What is the age of the captain? And, sir, I know a man who worked on that problem for two nights, and he found that the age of the captain was 56 years, 2 months, 3 days and 4 hours. I am sure that gentleman must have been either the hon. member for Winnipeg North Centre or the hon. member for Vancouver South.

I have before me what was said about profit on another occasion by my hon. friends the dreamers and utopians in the extreme corner of the house. It is different now. I can see the influence of the timid questions put by the hon. member for Témiscouata. Here is the definition which was given on a former occasion:

A federation of organizations whose purpose is the establishment in Canada of a cooperative commonwealth in which the basic principle regulating production, distribution and exchange will be the supply of human needs instead of the making of profits.

We have heard it. When the production is greater than the consumption it should cease, automatically. My hon. friend took the same viewpoint as the Prime Minister, if we may judge by the right hon. gentleman's action in decreasing the acreage of wheat. A decrease in production, that is it. When the production equals the consumption, it would cease automatically, and therefore people would make no profits. That is their ideal state. What about exports?

But now there is a little change in the gospel of Vancouver South and Winnipeg North Centre. We find that no longer is the supply of human needs instead of the making of profits the basic principle regulating production, distribution and exchange. It is that no longer. That is no good. The social system is changed. We have a change in their own social system made by those dreamers and utopians. They have changed it themselves. What is the necessity for the government to change the social order? Hon. members in the corner of the chamber have changed it. They have had enough of their program, the same as people have enough of a motion picture, and it has to be changed in the middle of the week. The change we now have is this:

Resolved that in the opinion of this house, since the capitalist system is failing to function in the interests of the great majority of the people of Canada, it should be superseded by a cooperative commonwealth—

Which is a euphemism for communism,

—in which the profit motive—

—would be subordinated to that of public service and ruthless competition replaced by collective ownership under democratic control.

In the first place there was no making of profits,—the hon. member for Winnipeg North Centre may rise in his place and deny his attitude if I have not stated it correctly. He must remember what he said at other times. But he has now changed his mind. It is no longer a question of making profits. Profits are now permitted, under the autocratic rule of Winnipeg North Centre and Vancouver South. They say:

It should be superseded by a cooperative commonwealth—

Alias communism—

—in which the profit motive would be subordinated to that of public service.

Subordinated by whom? Subordinated by Winnipeg North Centre; subordinated by Vancouver South. They will be the czars of Canada; they will restore the old order of Russia. That is why they are so angry when we mention Russia. They are czarists. They believe in autocracy. They believe they are the repositories of revealed truth, and they will decree by their own powerful will that the profit motive shall be subordinated to that of public service.

What do they mean by profit? I ask the hon. member for Winnipeg North Centre to define the word "profit" and he tells me to look at the dictionary. It is not for me to look at the dictionary. The hon. member will recall the words in the Latin grammar, sapiens nihil affirmat quod non probet—the wise man does not affirm anything which he cannot prove. Those are the words of wisdom. They are not Litvinoff's; that is a maxim of truth based on the experiences of the centuries. I will tell my hon. friends, for whom I had respect until now, that if they do not clearly explain their program and their scheme—because it is only a scheme—if they do not explain it in a satisfactory way I will say that it is a contempt for the House of Commons to ask hon. members to listen to such talk as they have uttered. I will tell them that first of all they should go to the basic foundations of social life. Although not covered by section 98 of the criminal code it is really a criminal offence to deceive the Canadian people by telling them that the group in the corner of this chamber will do this, that and the other thing. Those hon. members know very well that without imposing additional taxation it would be impossible for any government to fulfil the foolish promises they

have made. It would be impossible to do what they have promised without making greater the burden of taxation which falls upon the shoulders of the good citizens of the country. I will give them one last chance. I will give them the benefit of the doubt. But, Mr. Speaker, I say they should be more serious, and when a member asks them politely for information about their own plans, which they must know, because they are supposed to have conceived them; if they will give no answer at all, I am free to form my own judgment upon them and to tell the electors in my constituency in the province of Quebec and the electors of any other constituency in this wonderful country which is Canada that these gentlemen at the extreme left of this side of the house are not serious, that they are just trying to make party capital, when telling those poor people who are suffering acutely: Follow us; we will give you anything that you wish; put us in power and see the marvels that we shall do in this country."

The candidates of the Cooperative Commonwealth Federation have received a minimum vote in all the by-elections since the last election. It is true that the Labour member for the city of Hamilton was elected. He visited Russia not long ago and has seen and learned about communism, and the description that he gave to the press of the conditions in Russia was entirely different from the picture which is given of the co-operative commonwealth by our friends to the extreme left. They do not even dare mention the word communism now. But you, Mr. Speaker, are a student, and if you will analyze the social system in Russia, on one hand, and the social system advocated by the hon. member for Winnipeg North Centre and the hon. member for Vancouver South, on the other, you will see that they are one and the same thing, and that the difference is only in the name. My hon. friend from Winnipeg North Centre is of United Empire Loyalist stock just the same as the Prime Minister of this country. He has been brought up in the British traditions of democracy, but I am sorry that he and the Prime Minister have forgotten the teachings of their youth. I regret it from the bottom of my heart. But let me tell you, sir, that although I have no English blood in my veins, just a little Irish blood—

Mr. McINTOSH: Have you no Scotch?

Mr. POULIOT: Not now; nevertheless I say that I am truer to the principles of British democracy and of British government than my hon. friend from Winnipeg North Centre and my right hon. friend the Prime Minister.

What we hear, sir, is but a deluge of words from the hon. member for Winnipeg North Centre and his supporter the hon. member for Vancouver South—a perfect deluge of words. He says: I have compassion for the multitude. This was said by one who was not the Man of Nazareth, as the hon. member for Winnipeg North Centre always says, but it was said by our Lord. There is not a man in this house who, unless he has a heart of stone, can listen unmoved to the sufferings of the poor, but if my hon. friends of the Cooperative Commonwealth Federation have something better to offer than the present system let them come forward boldly with public bills to amend the laws of this country. Let them tell us where there is injustice from their viewpoint. They must be familiar with the laws of this country. They often say: We are not lawyers, we are not hair-splitters. No, but there is the law maker's intent; there is the intention of the law maker, which counts; and will my hon. friends deny any responsibility for the laws which they have voted for since they have been here? What are their intentions with regard to amending or changing the social order? I hope that they will tell us that or tell us what they have done in that regard Let my hon. friend from Winnipeg North Centre tell us about the amendments that he has had enacted to change the social order, and then we can judge what would be the result if he could put his will into force and have his ideas enacted into law.

To sum up, Mr. Speaker; I have spoken about these hon. gentlemen for a time, and now through you I am speaking to them. I cannot speak on behalf of the government; I am against them on a matter of principle. I do not dare to speak on behalf of my party, but I can speak for myself as one who has listened to the hon. gentlemen of the Co-operative Commonwealth Federation and as one who has taken the trouble to read their program—which is no mean task—and to try to get something rational from it. So far as this resolution is concerned there is a missing link between the first part of their argument and the conclusion—not a missing link in the Darwinian sense, but there is a link missing just the same; and I should like to have some more explanation from them. I have put questions to them, and if I am not to receive any further explanation, then when the time comes to discuss this matter once more, or several times more, whether in this house or out of it, we will tell the people

that the hon. member for Winnipeg North Centre and the hon. member for Vancouver South were not serious and were just playing politics when they brought in their resolution about the Cooperative Commonwealth Federation. The people of this country in an indignant mood will tell them: You are not going to fool us any more; and then the candidates of the Cooperative Commonwealth Federation will not receive even a minority vote, or enough votes to give a chance to any Tory candidate to be elected.

Mr. J. R. MacNICOL (Toronto Northwest): Mr. Speaker, a resolution similar to the present one but not exactly the same was moved in this house in 1932 and another in 1933. I believe the resolutions of 1932 and 1933 were identical. But when the resolution was moved again in 1934 there was a change in it, and there is a change again now in 1935. I opposed the former resolutions and I rise to oppose this resolution also. The hon. member for Winnipeg North Centre (Mr. Woodsworth) in his address took a good deal to his party when he described the mayor of Toronto as a Cooperative Commonwealth Federation mayor. The mayor of Toronto is a capable gentleman with a great deal of ability, but in the last election, like Joseph, he wore a coat of many colours, one of which was the Cooperative Commonwealth Federation. In his support were many well known and staunch Conservatives and many well known and staunch Liberals, and his principal support came as I understand it from the independent Labour party. So the hon. member cannot claim the mayor of Toronto as an out and out C.C.F'er.

The hon. member quoted many articles from the press in which he purported to show that the Prime Minister (Mr. Bennett) had denounced the capitalist system. Well, I listened very attentively to the Prime Minister in all his speeches except the first one; I was not at home on that occasion and had not the pleasure of hearing the speech as it was delivered, but I read it carefully afterwards. My memory is that he denounced the abuses and the violations that had crept into the system and intimated that he and his government would reform the system and cut out the abuses.

The hon. member said further that nobody wanted to abolish capitalists, but I cannot see where that coincides with the platform of the Cooperative Commonwealth Federation, which was apparently adopted again on February 10, and one item of which reads that the Cooperative Commonwealth Federation believes that capitalism can be neither reformed nor restored. So that if capitalism is to be wiped out, of course capitalists go with it. The hon. member for Vancouver South (Mr. MacInnis) said that the program advocated by this resolution of the Cooperative Commonwealth Federation had not been changed; but I find a change in the resolutions that have been moved except the first two. In 1932 the expression is used "a large number of" in referring to the people, and in the present resolution it says "great majority." In the resolution of 1934 the word "masses" is used whereas, as I say, in the present resolution the people are referred to as the great majority.

I find a slight swinging to the right in the present resolution as compared with the former, because in the present resolution we have the words "by a cooperative commonwealth in which the profit motive would be subordinated to that of public service." Subordinated merely means being on a lower plane. This is the first resolution my hon. friends have moved in which, I take it, from the resolution itself, there is some justification of the profit motive; otherwise the word "subordinated" would not be there but perhaps there would be the words "wiped out" and in that regard it would be on a par with the former resolutions. There is, I say, a swinging just a little to the right from the extreme left position of a few years ago, and in this the mover of the resolution and those supporting him are in line with what is being done in Russia. There is a slight move in Russia towards the right. I have here an associated press dispatch from Moscow under date December 30, 1934, quoting one who I presume is the head of the republic, the Hon. Joseph Stalin, in an address to the metallurgical group of industry. Apparently the iron and steel industry is not making that headway which it would like to see, although it is making progress, and to encourage the men working in the plants producing iron and steel to do better Joseph Stalin is quoted as using the slogan, "Technique without men is dead." And further down:

> Higher pay for efficient technical men was one of the means Stalin suggested to directors of the Soviet iron and steel industries for improvement of their technique.
>
> "Organize wages so they will strengthen the decisive links of production and prompt people on to higher skill," Stalin urged. "This is what we need in order to create a large army of industrial technical cadres."

That is quite a move to the right, because in all the arguments that have come out of Russia we were given to understand that there was to be equal pay for similar work. So that

we find them swinging slightly to the right over there; and our friends in the opposite corner, leaving in their resolution the two words "profit motive," merely putting it on a lower plane, are also swinging slightly to the right.

Reading over the resolution, and remembering what the hon. member for Winnipeg North Centre (Mr. Woodsworth) said in the press—it may not have been a correct report—giving his views in endorsing some if not all of the proposals of the Prime Minister in his radio addresses, I thought that if a resolution were moved by the opposite corner this session it would be more or less in these words. This is just a suggested resolution: "Resolved, that in the opinion of this house, since the capitalistic system has been prevented from functioning as it should do in the interests of the people of Canada, as a result of the failure of governments in past years to stop the introduction of the abuse and gross violation of its true principles, this house endorses the courage of the present government in its projected legislation designed to eradicate and cut out the abuses and violations of the capitalistic system and supports its determination, at this session, to enact the necessary remedial legislation to achieve in the best interests of the people this laudable objective." That would be very good and to the point.

This is my fifth session in this house and I have yet to hear—or I cannot remember having heard, I will put it that way—any constructive suggestion from the opposite corner of this house looking to the providing of sound employment for the unemployed. We have had several speeches to-night, one or two at any rate from the opposite corner, and not one thing has been said in the way of providing sound employment for the large number of unemployed in the country. Before I sit down I shall try to show what the government has done in that regard and what it proposes to do. Let me refer first of all to Count Nicholas Ignatieff, an exiled Russian nobleman, now a professor in Lansing, Michigan. Speaking at Orillia to the Canadian Institute on Economics and Politics, he made two or three significant statements in reference to Russia and the cooperative system in vogue there. He said:

> The peasants fought collectivization desperately and almost fought the government to a standstill. They slaughtered stock, destroyed grain and starved themselves rather than submit.
>
> What does it mean? Just this: collective man is the latest product of man's hallucinations—

I believe the hon. gentleman who just sat down referred to something that was said as being like an hallucination. This is from a Russian nobleman who knows what hallucinations are:

> —there is no such thing. Man is primarily individual and his happiness and his most important functions are individual.

If this country is to have inflicted upon it—if that is the proper word—the abolition of the capitalistic system and to have substituted for it cooperative commonwealthism, then individualism will be destroyed. My experience over a long period in association with many thousands of men, observing them work and produce from their heads many splendid and successful inventions, has convinced me that if you eliminate the opportunity of the human race to aspire to produce and to conceive ideas and profit therefrom, you will eliminate from this world much of that which is to its advantage. Continuing, Count Ignatieff says:

> True cooperation starts with the individual. The right to private property is recognized. The individual is free to do whatever he will with his share of his earnings, accumulate wealth and leave it to his children.
>
> Collectivism, on the other hand, seeks to submerge the individual in the swarm, in the herd—it negates every aspect of individualism and recognizes no human inequalities. It sets up the tyranny of the swarm over the individual.

But as I said at the outset, there is a slight wheel from the doctrine of "all are equal in Russia" to the doctrine that those who labour hardest and produce the most shall receive some extra consideration for their efforts.

I am not one of those who believe the cause of all our troubles is the capitalistic system, but I do believe what I understood the Prime Minister (Mr. Bennett) to say in his radio addresses, namely, that the abuses and violations of the capitalistic system are partly if not wholly responsible for the troubles through which we are passing. The capitalistic system is founded on sound doctrine. We all know the fourth commandment refers to the fact that man shall work not more than six days a week. Well, legislation that is before the house this session is designed to provide one day of rest each week for all workmen, and in that particular the capitalist system of this country is going back to that principle and that doctrine of the fourth commandment.

Another principle of the capitalist system is the practice of thrift, and here again we are encouraged by the Holy Book to practise thrift. I have in mind the parable of the talents: three different servants were each given talents; one buried his, the second doubled his and the third increased his five to ten, and on the return of the lord of those

[Mr. MacNicol.]

servants the latter two were commended for their thrift. The practice of thrift is one of the doctrines of the capitalist system, and I do not know how thrift is to be incorporated in the theories advanced by hon. gentlemen in the far corner who are sponsoring this resolution.

Then we have another doctrine of the capitalist system—the reward for labour. I am in accord with that; I believe those who work hardest should receive the most; that is if two are labouring in the same line of business or profession, the man who is willing to deny himself and work hard is surely entitled to consideration for his determination to advance in his work.

Then we have the doctrine of the reward for skill. Why should a man not be rewarded for his skill? In support of this we have the head of the Russian state arguing before a group of iron and steel manufacturers in Russia that they too must depart from their former doctrine of equality of men to a doctrine of reward to those who do the most, achieve the most and produce the most.

Another principle of the capitalistic system is that individual effort should receive consideration, another, that men should live uprightly. I am strongly in accord with that, that those who live uprightly and endeavour to do the most good in this world, do the most for humanity.

Then we have the doctrine to treat others as we would be treated. Well, there have been violations of all those doctrines or principles. It has not been a question of violation this year or last year, but it has been a question for years of progressive violation, progressive abuse of the capitalistic system. On Friday night last when on the debate in connection with introducing the eight hour day we were told by those who opposed the resolution that this government could not bring about the eight hour day; that that, so they alleged, and other kindred subjects are within the jurisdiction of the provinces. Perhaps that is one of the reasons, the fact that there are nine provinces and nine provincial governments, why the capitalistic system has been violated and abused in this country as it has been.

Then we have the further doctrine of being honest and paying our accounts. When the Pharisees, seeking to tempt Our Lord in reference to money matters, asked Him if they should pay tribute to Caesar, He asked them to show Him a coin. He then asked them whose image and superscription was on the coin, and they told him that it was Caesar's; whereupon He said to them: "Render therefore unto Caesar the things which are Caesar's." The trouble is that in this country and, indeed, throughout the world, accounts have not been paid that should have been paid. These and many other doctrines followed by the capitalist system have been violated and abused. Along come the government of the day proposing reforms. They have the courage and the determination to do it, and the Prime Minister in his addresses said that he would remove abuses. I believe he will, and I believe the house will support his legislation to do away with the violations and abuses of capitalism. If a ship sails the seas for years without being taken into dry dock it will become covered with barnacles; therefore ships are taken into dry dock periodically and the barnacles scraped off. We should not condemn the ship because it did not travel as well before the barnacles were scraped off as after. The capitalistic system is cluttered up with a lot of barnacles of one kind and another; this government is going to scrape them off, and the abuses and violations will be eliminated.

Mr. IRVINE: But there is a hole in the bottom of the ship; what are you going to do about that?

Mr. MacNICOL: Plug it. In 1932 a committee of the United States senate investigated one of the great abuses of the capitalistic system that is, stock market abuses, which prevailed, incidentally, not in the United States only but in Canada as well. It was not investigated in Canada, and that is why I refer to the United States investigation. These were nothing short of outrageous and never should have been permitted. But we cannot say that the capitalistic system was responsible for that. Now they have been eliminated, and the government of that country is to be congratulated upon what it has done in that regard. I shall give one example of the gross abuse of the capitalistic system that took place there, and no doubt there were similar cases in Canada also. The committee reported that stocks were boosted by false statements, that the public were rigged—that was one of the most outrageous abuses practised on the public. Then there were bear raids, bull raids, short selling and long selling, and stock splits. I have read of stocks that were split not once or twice but four, five, six, seven, and eight times, without any new capital being added. That is a violation of the capitalistic system, and never should have been permitted. I am sure this government will deal with any situation like that if it has control of the matter and the provinces do not act. Then there were wash

sales, and selling against the box, and buying and selling at the same time. In 1929, when the first crash came, stocks on the New York stock exchange shrank $29,000,000,000, and in 1930, there was an additional fall of $20,000,000,000, or a total of $49,000,000,000 within a year. Stock promoters and market manipulators never should have been permitted so to violate the principles of honesty, thrift and fair play that are the foundations of the capitalistic system. However, the government of the United States have enacted new legislation designed to prevent such exploitation in the future. Think of Radio stock, which in 1921 stood at $105,000,000; in 1929, without addition of further capital, rose to $1,400,000,000; and in 1930 after the crash it dropped to $175,000,000, a shrinkage of $1,225,000,000. That was an example of the great abuses and violations of the capitalistic system, but abuses of the kind will be eliminated both across the line and in this country. I hope the Canadian governments will rise to the occasion and by whatever methods they may adopt prevent in future any such stock exploitation as has taken place in the past. Of course the stock market people offer the defence that during the war people were educated to buy bonds and stocks, money was plentiful and people learned to buy, and that is one of the causes that made this exploitation possible. But the governments of this country must enact legislation to prevent this and other abuses of the capitalistic system.

Then there are other violations; sweat shops—the Prime Minister has already announced that he will eliminate sweat shops. Some may say he has not the power; but I doubt very much if any hon. member will oppose the elimination of sweat shops or oppose giving the government power to eliminate them. Sweat shops are not a necessary part of the capitalistic system; they are a violation of the system and never should have been permitted to exist. Neither should the seven day working week. The government by its eight hour day and forty-eight hour week legislation is going to stop such abuses. Then as to mergers, I do not say that in no case should mergers be allowed, but there were altogether too many of them; the great flood of mergers was not a legitimate feature of the capitalistic system but a violation of it.

Then will anyone say that the outrageous waste, not only in Canada but in the republic to the south, such as the slaughter in the United States of several million hogs, the destruction of millions of acres of corn and cotton, was any true part of the capitalistic system? They were violations of it. We all know, too, that the great war was responsible for much of our trouble. Certainly the abolition of war is the desire of every hon. member of this house, but I cannot understand how war can be attributed wholly to the capitalistic system; I call it a heinous violation of the system.

Then we have rampant partyism. This parliament is in its fifth session; during its life the country has been going through the worst depression in the world's history, and I am sure that hon. gentlemen opposite will admit that the government has at least done its best to bring the country through. Yet how often have we found them forgetting partyism and rallying to the support of legislation enacted for the advancement of this country? Surely partyism should not be carried to such a length that we must denounce everything that our opponents advance. Surely our opponents are sometimes right, and when that is so I believe in admitting it.

What do the government propose in order to eliminate the abuses of the capitalistic system that now exist? We have the proposed establishment of the eight hour day, one day's rest in seven, and unemployment insurance. Someone said something about unemployment insurance to-day; when that resolution is under discussion again I propose to speak on it, but for the moment I will content myself with saying that in spite of what has been said the unemployment insurance measure will do a great deal of good and will fill a long felt want in this country. In addition we have proposals along the lines of national health, controlled speculation and minimum wages; it is proposed to abolish sweatshops, and finally steps have been taken by the government to provide work. One of the hon. members from Winnipeg said the government was not doing anything to provide employment. I devote a good deal of my time to matters pertaining to labour; in the course of the recess I come in contact with many hundreds of men who are employed in industry, and I speak without fear of successful contradiction when I say that the government has done a very great deal, through legislation, to provide new employment in this country. The government has not received very much support in that regard from hon. members in the far corner, among others, but it has enacted legislation that has resulted in a great deal of new employment.

When the hon. member for Winnipeg North Centre returned from a trip to Japan he gave an interview, which appeared in the Toronto Mail and Empire of January 14. The hon. gentleman is reported as decrying Japanese cheap labour, and as saying that Japanese goods are cheap partly because of low labour standards but largely because of downright efficiency. If we pass the resolution now before the house, in what way shall we be protecting Canadian workmen against either Japanese efficiency or Japanese cheap labour? As the hon. member for Témiscouata (Mr. Pouliot) said, we have to deal with realities; we have to look at things as they are, and we have to consider our country in the light of what is going on in all other countries. Certainly this is no time for Canada to take up some new-fangled idea, or rather an old idea revamped. With the serious situation in which we find ourselves this is a time when we must face things as they are and look at realities, and certainly I cannot see how any resolution such as this will help the situation.

In conclusion, Mr. Speaker, I should like to say that resolutions similar to this have been before the house on four or five occasions previously. I think if I had moved a resolution that had been thrown out by the house four or five times, I would not bother introducing it again.

Mr. E. J. GARLAND (Bow River): Mr. Speaker, I think it a tragedy that we should have such discussion as has taken place within the last hour and a half; it would indicate a failure to appreciate the Prime Minister's words, "the crash and thunder of toppling capitalism."

The previous speaker (Mr. MacNicol) dealt with the alleged reforms of the present government and expressed regret that there was not more wholehearted support from this section of this house in regard to that legislation. He asked, "Why do we not look at facts and realities?" In his speech he did not face one fact or one reality; he did not even approach a consideration of the problem. We have misery, destitution, poverty, and unemployed millions here and throughout the world. We have a hopeless outlook for youth with education of no value, so far as entrance to the economic field is concerned, and the government comes along with shreds and patches that have been tried out in other capitalist countries, and which have left them in the same morass that we are in. Yet the government wonders why we are not enthusiastic about the program.

They tell us that prosperity is returning, and that therefore this legislation is going to be all right. Again they do not face facts or estimate realities. The Wall Street Journal of comparatively recent date points out that in the first six months profits in 56 industrial corporations of the larger type had increased by 174·6 per cent over the previous six months. That looked like returning prosperity, and my hon. friend who has just sat down would so describe it. Hon. gentlemen opposite and to my right would describe it as such, and would be content to place that fact before the public. Continue; analyze a little closer, and you find that while profits increased by 174·6 per cent sales increased by only 51 per cent. In other words profits increased three times as fast as sales. Exactly the same thing is taking place in Canada and has begun to take place in Great Britain. It has been accompanied by this further phenomenon, that whilst profits and sales increased, wages continued to go down. At the very time the Wall Street Journal published the statement to which I made reference, Miss Perkins, Secretary of Labour for the United States of America, had the great courage to publish a statement relating to the situation. In that statement, with the official imprimatur of the Department of Labour, she stated that during that period factory payrolls went down 6·8 per cent, or a decline on the average of $10,460,000 a week. So we find profits going up at the expense of the wage earning and producing classes.

How long do hon. gentlemen think their system can continue with that going on? How long can they hope to carry on a system that shows such a mad, illogical, untenable and uneconomic condition? But that is not all. This government now proposes legislation which already either in part or in whole has been adopted in other countries. Yes, in whole—all of it has been adopted in many countries, such as Great Britain. A far wider experimentation has taken place in the United States. It is of value to us to-night to consider just what the results have been in the United States, in order to ascertain whether or not we may draw conclusions therefrom. I would suggest that the last speaker (Mr. MacNicol)—it would be of no use to suggest it to the one who preceded him (Mr. Pouliot)—should analyse what has taken place in the United States under what is called the new deal. The actual level of wages in that country in July, 1934, was up 8·5 per cent as compared with the level in July, 1933, followed, as Miss Perkins noted, by a decline. However they were up at one

stage, and we shall deal with that picture for the moment. Wages were up 8·5 per cent. Prices during the same period were up 9·6 per cent. At a moment's consideration hon. members will realize that the effect is obvious. The net effect is that the purchasing power was decreased 1·1 per cent. Surely that was not the purpose of the new deal; I believe its purpose was the very reverse. In my view it was the sincere intention of the government of the United States, just as I believe it to be the sincere intention of this government, to increase the standard of living and the purchasing power of the people. But under the present system it cannot be done. It has been tried out in the United States to a far greater degree than this country proposes to try it, and in that country it has failed.

These actual figures dealing with the purchasing power of the American middle class are significant, and I ask hon. members to take them into serious consideration. In 1933 the incomes of the middle class ranging from less than $10,000—a substantial sum—down to nothing were decreased by five per cent as compared with their revenues in 1932. On the other hand individuals having incomes of a million dollars or more per year saw an increase in revenues ranging from twenty to forty-six per cent. An analysis shows that while in the aggregate middle class incomes were being reduced, higher incomes were being enormously increased. Surely that was not the intention of the new deal. Yet that was the effect of the attempt to regulate capitalism—and we will find that the same results will follow in this country under the present proposals.

I turn now for a moment to a consideration of conditions in Europe. What is the lesson we may learn from the experiments over there? In western Europe general industrial production, despite the rigid state regulations of many nations is about fifteen per cent less than it was in 1913, and in addition to that fact we must consider the further one, namely that between 1913 and to-day there has been an enormous increase in population. Therefore in Europe they had an increase in population together with a fifteen per cent decrease in production. Capitalism has not justified its existence, has it? Regulation has not shown effective results, has it? In 1922 fascism came into existence in Italy, and at that time many promises were made to the masses of the people. In 1933 the wage rate in Italy was seventeen per cent less than it was in 1929, and unemployment had increased from 293,000 to 1,057,000. That is a fact worth while considering. And so we find that fascism has not separated Italy from the general capitalist collapse which has affected all the world. We should profit from their twelve years of experience. In Germany since 1930 the workers have suffered a decline in wages averaging sixty-three per cent, and the decline is said to be worse among the agricultural classes. In that time the level of the so-called upper classes has remained relatively constant in all those countries. Yet we propose to patch and scratch in this country.

Yes, you know, people do draw conclusions, very final conclusions, from very strange premises. I was frankly amused when I read in a newspaper what purported to be a report of an alleged interview with the Prime Minister while in England not long ago. He is quoted as follows:

> I was delighted in London to see such evidence of increasing prosperity.
>
> Evidence of increasing prosperity.
>
> Well dressed people on the streets, crowds in the shops, and the spirit everywhere apparently indicated that England is leaving the depression behind her.

Yes, and that same day I walked down the main street of the city of Calgary. I saw well dressed people on the streets; I saw them in the shops; I even saw individuals smoking cigars; I saw ladies and gentlemen greeting each other with smiles, but I did not come to the conclusion that prosperity had returned. Did the Prime Minister take the trouble to examine the broken industries of Bradford? Did he go to Lancashire? Did he go out to the slums of Stratford east and Bow road? Did he look at the herds of hopelessness in England? Did he listen even to the Prime Minister of England who about that time said that there were millions who never again would be employed, millions whom Ramsay MacDonald described as "human scrap"? Of course those people will never be reemployed under capitalism. It cannot be done. There is no place for them any more than there is for our youth, under capitalism. Did the Prime Minister take the trouble or has any hon. member who assumes a returning prosperity simply because profits have gone up in spots taken the trouble, to ascertain the fact that in Lancashire there are 16,000,000 idle spindles, and that a committee appointed by the British government has been investigating the matter? Do they know that the committee has already made an interim report in which they propose scrapping 7,000,000 spindles? That is a recom-

mendation to create an artificial scarcity, such as the hon. member for Vancouver South (Mr. MacInnis) has described. Unless we create a scarcity capitalism cannot continue. Unless the Canadian people and the people of the world are to be content with a lower standard of living, this present system can neither be regulated nor continued.

Sometimes institutions which have their very foundations in the system unwittingly confess its total and absolute failure. The insurance companies of Canada are supposed to be the sheet anchors of capitalism, the sheet anchors of the thrifty, and all that sort of stuff. In order to get business they advertise extensively in the newspapers. In 1928, when there was what is termed a capitalist boom, one of those insurance companies published an advertisement in the Canadian newspapers in an endeavour to secure the money of thrifty investors. The Canada Life Assurance Company asks the question—and here we see the appeal to fear, the psychology of modern advertising: "What happens to one hundred average men of twenty-five years of age upon reaching the age of sixty-five?" Out of the vast compilation of statistics that are at their disposal as a result of their actuarial research covering many years, they are able to make this accurate statement, and no one questions it; no one has counter-statistics to offset it: One of the hundred will be wealthy; four will be well to do and able to enjoy some comfort and recreation; five will be still working for a living, with no prospect of relief from drudgery; fifty-four will be dependent upon friends or relatives or charity; and thirty-six will be dead. So to one hundred young men of twenty-five years of age this intelligent, highly to be appreciated capitalist system has nothing better to offer, even in days of prosperity so-called, than that four out of the hundred will have some security in old age; five will be still working for a living with no hope of escape from drudgery at the age of sixty-five, and the remainder of the one hundred will be either dead or relying upon friends or relatives or charity. If there be hon. members of this house who desire to sustain a system so self-condemned as that, frankly I cannot understand their mentality or their logic, and I dissociate myself from them.

I pick up statistics of this government's own departments, data available to every member of the house, and I find facts that should shock hon. gentlemen of this house even if the investigations before the mass buying committee have not sufficiently done so. I find, for example, in a census bulletin published under authority of Hon. H. H. Stevens, Minister of Trade and Commerce, a departmental bulletin entitled, Earnings Among Wage Earners for Canada and the Provinces, the following facts.

In the coal mining industry in my province there are employed 5,474 persons, and their average annual earnings according to the bulletin amount to $652. They are employed 27·51 weeks—27 weeks—out of the year. But, you see, the poor devils have to eat for fifty-two weeks, and they have to clothe themselves and pay rent and light and fuel and all the other things for the whole year; and so we find that they had to live fifty-two weeks on an average of $12.50 a week, or $1.78 a day. Is it suggested they ought to be very enthusiastic about the system? Would I if I were in their position be hurrahing for it and for those tinkering with it until even the Prime Minister would be gratified?

Now take the earnings of all wage earners in Canada. According to this same bulletin, pages 12 and 13, I find that the average yearly earnings for all employed in Canada is $743. Male earners secured on the average $927, and female earners $560. By the way, it is a significant thing that in this interesting man made system of ours you will find, if you check the figures, that in every case the women work more weeks and usually longer hours and in every case receive less pay than the men.

Miss MACPHAIL: That is chivalry.

Mr. GARLAND (Bow River): No, it is capitalism.

Mr. STITT (Selkirk): I think it is thriftiness on the part of the women.

Mr. GARLAND (Bow River): The average yearly earnings for all employed in Canada is $743, and the average earnings received by agricultural workers is $293 per year.

An hon. MEMBER: That is their keep.

Mr. GARLAND (Bow River): No, they get that out of killing a few hogs or chickens. That $743 amounts to $14.30 a week or $2.07 a day for all Canada. That is what capitalism has to offer them so far.

Take another side of the picture. Keep in mind, please, the figures I have just given, the average yearly earnings of $743. I wrote to the Department of Labour to ascertain what they regard as an adequate annual budgetary maintenance, and I find that by the industrial relations committee a few years ago an investigation was made into this question and a compilation made by the

bureau; the Labour department have brought the figures up to date to August, 1934, and they are as follows:

To maintain a poverty level of existence in Canada you require $661.16 per year. A minimum subsistence level would require, according to the department, $1,069.16. But the average earnings per year in Canada are only $743. Therefore the average earnings in Canada are less, by nearly $300, than the minimum subsistence level set out in the tables of the Department of Labour. The health and decency level is $1,328; and the comfort level $1,867.

Now contributory unemployment insurance, taking into consideration all these facts, can only bring you to the conclusion that its chief effect will be to reduce at least during this time the available purchasing power of the masses of the people. I am not opposed to it for that reason, but I just desire to point out facts, especially to my hon. friend who has just taken his seat. If these poor beggars have to carry on with average earnings per year of $743 and are expected to pay any contribution at all, it can only lessen the total volume of purchasing power and in the long run have but little effect. Certainly it can have no other effect until there is another depression, if we ever get out of the present one, and we are not out of it yet.

Then we have the other side of the picture. The concentration of the control of the means of life is one of the major developments of the last century under this capitalist system Everybody admits that to-day, and everybody is beginning to apologize for it, including the last speaker. The Mellon family, for example, a family that conducts business in Canada as well as in the United States of America, provides probably one of the best examples of how wealth, and with it the destinies of millions of people, have been concentrated in a few hands. While the masses of the people were suffering in the penurious condition I have stated, this family fortune was being built up until to-day the Mellon family has a fortune estimated at eight billions of dollars, or, to be exact, $7,990,425,178. Now, that is a pretty substantial fortune. That is capitalism. That is capitalism because it gave the opportunity to a predatory type to take the fullest and grossest advantage of the system that encouraged predatory characters.

I would like my hon. friend who made some reference to the fourth commandment, or something like that, to take that into consideration. The whole philosophy of competition is contrary to Christ and to the teachings of Christ, and the very principle of competition in a capitalist society is utterly incompatible with the teachings of Him to whom he referred.

Then take even their own newspapers. Just about Christmas time this advertisement appeared on behalf of the Calgary Albertan, published in the city in which the right hon. the Prime Minister represents the west riding:

It said:

> Feeding many on little. Is this your problem? The Albertan will help you solve it. Economical but nourishing and attractive meals can be prepared for your family cheaply. We will show you how to prevent waste; how to make tasteful meals from cheaper commodities; how to utilize to the utmost all the food properties of your provisions.

Yet at that moment we were selling cattle at destructive prices to a government in order that they might be turned into fertilizer. But our capitalist newspapers will advertise, in the face of that, this sort of thing to unfortunates who are expected to live on an average of five cents per meal on relief in our cities—advertising how they may be able to put life into their bodies by economizing in those things of which to-day we are able to produce in such vast abundance. Just think of the stupidity of the system. Does anyone think that these things can be remedied by regulation? There comes to my mind one classical illustration which I heard not long ago from a gentleman whom the Prime Minister has quoted, certainly without disagreeing with him, so far as I could ascertain from the newspapers. I refer to Mr. John Strachey, who told this interesting story in my hearing. One of the best illustrations of the insanity of the present system is to be found in the experience which two countries in Europe have recently had. In order to relieve unemployment conditions in Holland the government of that country decided to start great public works with a view to employing the unemployed, and the object of these public works was the reclamation of the Zuyder Zee. They were to erect dykes and drain the water off the land They had previously ascertained that the land itself was fertile and would be productive, and so they employed their unemployed. After the land had been restored they placed the unemployed on it, producing. They then found that they were producing so much wheat that they created a surplus wheat condition in the local market, and the government that had encouraged the development of that enterprise was then compelled in turn to buy the surplus wheat. Having bought the surplus wheat they attempted to find a market and, not being able to find one at remunerative prices, they finally sold the

wheat at cost to the Danish government in order that it should be fed to hogs there. The Danish government fed it to the hogs, with the result that there was an increase in the production of hogs, which threatened the market; and to avoid the collapse of the hog market the government of Denmark took over the surplus hogs. They could not tell what to do with these hogs and so they in turn converted the hogs into fertilizer. Then, finding that Denmark was so well provided with productive land and that production was so high, they had no market for their fertilizer in Denmark but succeeded in selling it back to Holland, so that they could spread it on the reclaimed Zuyder Zee to create more wheat to feed more hogs to be converted into more fertilizer, and so on. That is capitalism. My friends do not like it. They speak of the sacredness of the home, while around them they see their own people daily dispossessed of their homes, daily evicted from their homes. And who owned those homes—the home dwellers? You will find an exact parallel in other countries to the situation I now portray to you. I take four of the leading industrial states of the United States and according to a census of recent years we find that there were 4,828,000 dwellings in those four states, and of that number 4,115,000 were rented. Did private initiative, private enterprise and courageous loyalty to capitalism enable those people to buy homes and hold them?

Mr. Speaker, this movement, to which I have the honour to belong, has for its purpose the establishment of the sanctity of true private property and its extension, and we seek to have every person own his own home as an inalienable right and not as a matter of sufferance or charity. And it can be done. We have the man power, the scientific attainments, the artificial power, the raw materials, the willingness to work and the capital—it is all there. All you have to do is to bring these things into harmony. Capitalism lived—for I think it is dead—so long as the workers were able to feed the capitalists. But capitalism failed, to use the mildest term, just so soon as the capitalists had begun to feed the workers; and the more the capitalist has to feed the workers the more certain it is that the destruction of the system has been accomplished.

The proposed unemployment legislation is to make the workers feed the capitalists and their unemployed brethren as well. That is what this type of unemployment insurance does. It makes the employed feed the capitalists—for they will always pass on their costs to the consumer—and in addition to that the employed has to feed his unemployed brethren. You cannot solve an economic problem of this magnitude by anything of that sort. It cannot be done, and that is so obvious that one does not need to stress it.

Hon. gentlemen to my immediate right believe, as I myself believed for many years, that all the present horrible muddled condition can be remedied if only we will restore the free market, free, unregulated competition. If only we will do that, they think, everything will be splendid. Well, I have changed my views in that regard; I no longer believe that position to be either tenable or possible of attainment. To do this, let us find out what we should have to do. We should have first to restore the normal flow of commodities by levelling the tariff and by the reversal of the policy of administrative protection—in other words, world free trade or as near an approach thereto as possible. Secondly, it would be incumbent upon any government holding these views to break down the trusts and monopolies, for they interfere with the free movement of internal exchange just as effectively as tariffs interfere with the international movement of goods. Next, they would have to reverse the entire tendency towards the establishment of social services and of state and trade union protection for the wage earner; for social services and static wages are progressively freezing one of the most important variables of the law of supply and demand. In fact restoration of the free markets in labour would have to be accomplished if restoration of the system were to be accomplished. In addition, it would be incumbent upon them to establish some form of monetary control on a world scale which can attempt—and I use the word "attempt" advisedly—the task of mitigating world crises. In fact, restoration of the stability and continuity of international exchange must be accomplished if those hon. gentlemen are to make good their protestations. How could those reforms be brought about, even if they were advisable, in our present developed state of society? How are you going to level or diminish the existing tariff barriers of the world? Who is to do those jobs?—for if those tariffs are disastrous to the world market as a whole, they are of enormous benefit to particular capitalists. In short, the general enrichment that free trade would bring about could be achieved only at the cost of a gigantic redistribution of wealth among both individuals and communities. Individual capitalists would be ruined and whole industrial sections laid desolate. The free trader given power to scale down tariffs will also by that act be given power to bestow great

wealth, to deal destruction here, to bring ruin there, and so he will be opposed by every powerful and organized force of the entrepreneurs of every state fighting for existence. Try to do this, Mr. Speaker.

Second, they have to break the trusts. Who will inform the Holts, the Mellons and the others that they have to divest themselves of their present privileges and relinquish them to the will of the state? Why, as somebody suggests, there might be a great difficulty in securing campaign funds in the next election, if such action were taken.

Mr. HOWARD: Oh, no.

Mr. GARLAND (Bow River): My hon. friend accompanies that "no" with an ironical laugh which does justice to his negative. I should like to know who is to do this, because these people not only control vast corporations with tremendous powers but are interlocked with financial institutions as well. You cannot break the trusts and monopolies to-day. As a matter of fact trusts and combines are inevitable under capitalism; the competitive system itself compels that sort of aggregation in order that profits may be higher and security more assured to the people who are participating in the system. In short, not only would they have to take Sir Herbert Holt, Andrew Mellon and other people by the throat—and I am quite certain my hon. friends to my right do not intend to do that—but in addition they would have to release the existing state monopolies; for every one of them is an interference with free exchange. They would have to release Hydro in Ontario; they would have to release all social services that have so far been established; they would have to release government control over civil aviation and government control over radio, certainly the commercial side of it. All these things would have to be done if those hon. gentlemen think their philosophy is the correct one. Yes, the government or the state would have to free itself from interference with business of all kinds, except that form of interference that might be required to prevent combines and monopolies from coming into existence, and that is going to be some job.

Next, the free traders must, having challenged the greatest interests in capitalism, proceed to take away from the workers everything they have gained in a century of organized effort. It is of little use to restore freedom of exchange of commodities both internationally and at home and leave trade in one vital commodity, human labour, hedged about by every restriction and restraint. The free market can operate successfully and automatically only when all its interconnecting parts are movable; for if one of those parts sticks, the whole jams. It therefore would be essential that the price of human labour should vary freely in its relation to supply and demand. Further, as some social services provide, through the intervention of the state, income for labour in addition to that secured by wages, the existence of the legislation definitely retards the tendency of the price of labour to find its natural level; and hence it is important of course to the free trader that all such gross interferences with the freedom of the market, such as trade boards, old age pensions, health insurance and other forms of direct contribution by the state should cease. No laissez-faire system, no system of free competition could continue.

Finally comes the need of establishing international monetary control in order to prevent the wild fluctuations in international exchange that will hamper the movement of commodities in a free world market. The establishment of such a monetary control implies inevitably the setting up of a super power international in character, a bank that would have such control as to be able to determine the necessary steps and controls to be taken in order to regulate all exchange rates as between nations so as to avoid any clog in the system. Obviously that is incompatible with national sovereignty. So world tariff levelling, world tariff trust-busting, world trade union smashing and finally the inducing of French bankers, United States senators and all those other people to deposit their gold in some central bank in Geneva or wherever it is thought convenient, is the pleasant task of the free trader.

The system is gone and we might as well realize it. When we do we shall turn our efforts to the setting up of a cooperative social system in this country that will enable the harmonious functioning of the factors I mentioned earlier, man power, artificial power, resources and factory equipment, in order that we may be able to satisfy fully the needs of the people of Canada.

Mr. J. H. STITT (Selkirk): Mr. Speaker, I have listened with a great deal of interest to the advocacy of this great cause which has come from hon. members to your left in the corner, but I must say that I am entirely unconvinced; I am a doubter still. When I listened to the eloquence of the last speaker, the hon. member for Bow River (Mr. Garland), who on every occasion when he rises in this house really preaches a prose poem,

I was amazed that the Divine Creator had given such a great gift for such a cause manifested in such a way, which can be nothing other than speech wholly and utterly divorced from all reality, not taking into consideration for an instant the glaring facts of life, the real nature of man and the complex problem which he has to solve.

I have not prepared my address for this occasion, so the house will pardon the imperfection of my efforts. This may be the last speech I make in this house—

Some hon. MEMBERS: No, no.

Mr. STITT (Selkirk): —but I want to say what a privilege it has been for me as an independent Conservative—

Some hon. MEMBERS: Oh, oh.

Mr. STITT (Selkirk): I maintain that my utterances in this house show me to have been the most independent party man in the house.

Miss MACPHAIL: Still a party man, though.

Mr. STITT (Selkirk): Still a party man, yes, because I believe in cooperation, because I believe in joining what energy and power I have with the power that moves in a real sphere in the real universe. The last speaker began by speaking of realities. He told the hon. member for Toronto Northwest (Mr. MacNicol) that he did not face one single reality. I ask the last speaker if he really approves of the resolution that is before us. I followed the development of every point in his discourse. At the end he spoke about world socialism, but this resolution has to do with conditions as we find them in Canada. Let me remind the hon. member here and now that in the debate on the marketing bill during the last session, on April 26, 1934, he said, as reported in Hansard at page 2559:

> I am not a socialist; I have never been a socialist; I have never read any work of Karl Marx except what paragraphs appear in current digests or magazine articles.

I ask the hon. member now if he really supports the resolution, or if he has become a world socialist?

Mr. GARLAND (Bow River): I have no hesitation in answering both questions at once. The answer to the first is yes, and to the second, no. I have not discussed international socialism, and I did not mention it to-night.

Mr. STITT (Selkirk): The hon. member talked about control of credit, about the freedom of world trade.

An hon. MEMBER: That is Liberalism.

Mr. STITT (Selkirk): What was he talking about if not about world socialism? he was utterly lost in a litter of language.

Miss MACPHAIL: Read it to-morrow and see.

Mr. STITT (Selkirk): He attempts to cast contempt on this party and on the Prime Minister (Mr. Bennett) and his policy of reform; he talks about the shreds and patches of the reform policy. I say to this house and to my constituents and to the people of this country that I honestly believe that the most radical prime minister we have ever had in Canada is the Right Hon. Richard Bedford Bennett, and that his policy of real reform is the only hope of the suppressed masses in this country. He is the man who has not been afraid to grapple with circumstances as he found them in a real way. The hon. member held up the United States and President Roosevelt as having failed. What of the billions that they have poured into circulation? Is he greater than Roosevelt?

Mr. GARLAND (Bow River): I am too modest to answer.

Mr. STITT (Selkirk): If Roosevelt has failed and is continuing to fail, how does he hope to succeed? How does he hope to persuade the people of Canada that his leader, the hon. member for Winnipeg North Centre (Mr. Woodsworth), can save the nation? With a gesture of contempt he said, "How long will this system go on?" I tell my hon. friend that this system existed before he was born, and it will continue to exist long after he is dead and gone, after every one of us is dead and gone. His leader spoke about the necessity for something new, as if he were espousing a new cause. Years ago when I was a student at Queen's university we learned that Plato talked about socialism and communism. Why, this is as old as mankind; it is a relic of society in its most primitive form—it is not new. The hon. member spoke about the purpose of the new deal in the United States; he said it was to increase purchasing power. They poured out billions and billions and are pouring out billions still in the United States; and have they increased purchasing power? He says they have not. What then is his alternative? The hon. member is perfectly right when he says that there are conditions existing in society which are absolutely cruel. No one can approve of a system that alternates from the peaceful pursuits of civilization to the savagery of war; certainly we agree with his condemnation of the system. But what is his alternative?

Not content with analyzing the situation in the great republic to the south, our eloquent friend took us on a Cook's tour through Europe. He spoke about Italy and gave statistics regarding wage reductions there. Are he and his companions greater than Mussolini? "Upon what meat doth this our Caesar feed that he is grown so great?" This is a question I might reasonably ask of the hon. member for Témiscouata (Mr. Pouliot). If he were in the house now I would ask him if he would kindly invite me to dinner before I rise again to address the house. I imagine he must feed upon dynamite.

Mr. BEAUBIEN: The Prime Minister's dynamite.

Mr. STITT (Selkirk): It is dynamite to some of the Liberal party I am afraid, or perhaps even nitroglycerine and gun cotton.

But let us take a look at Europe. Look at the situation in Russia. I hope the hon. member for Winnipeg North Centre will pardon my making reference to Russia, because I have never classified my hon. friend as a revolutionist. I believe the hon. member who leads the Cooperative Commonwealth Federation is a man of the highest motives. I believe he is a great idealist. I believe the suffering of humanity has so deeply marked his heart that he cannot forget it. I believe that his purpose in this house and throughout his life is to make the bread of life a little sweeter for the poor, if I may put it that way. I also believe that there are many men in this house who have the same ideal, even men in the Conservative party. But when I analyze this resolution I realize the lack of logic in it. Let me read the resolution in order that we may see just how much truth it contains. It is very much like the Declaration of Independence, which started with a lie, that all men are created free and equal. I think that was one of the most poetic lies ever penned by our political philosophers. The hon. member says in his resolution:

> That, in the opinion of this house, since the capitalist system is failing to function in the interests of the great majority of the people of Canada—

When you postulate the fact that the system is failing to function in the insterests of the great majority of the people you mean that more than half of the people of Canada are in a condition approaching destitution or poverty, and I do not think that is correct. There is enough suffering in Canada, God knows, without starting your resolution with an exaggerated statement which, upon its face, certainly is not true.

When we talk about the failure of the capitalistic system I wonder if we ever recognize its virtues and merits. What has the capitalistic system done for us? It has lessened hours of labour; it has lightened the drudgery of toil; it has harnessed the power that is leaping in the cataracts and the rivers. The other day, as I looked at the river here and saw that magic array of lights along the shore, I was thinking that if an Indian who, living in the north in seclusion, and not having heard of the inventions of modern society and the great privileges we now possess, came down the river and saw this array of lights, he would think the stars had fallen from heaven and were dancing up and down upon the hills. The capitalistic system has done nothing? Even in this House of Commons the capitalistic system has permitted the great amount of freedom and liberty. It has enabled you and me, men born of poor parents and without monetary resources or power, to come here in the name of the people and, in the temple of the people, to speak against all the power that ever was or ever will be with the voice of freedom and love. There is no good in the capitalistic system? Look back to the days of Queen Elizabeth. Remember how they lived then, when they had no sanitation, when they had not discovered glass, when there was practically no pottery or porcelain, when they knew nothing about the modern science of medicine; when they feasted and drank together in palaces in which there was nothing but a litter of straw for a carpet, where they flung their despised bones to the dogs. To-day I, a mechanic's son, and you, are rich, with more freedom and more luxury than Queen Elizabeth on her throne ever had or ever dreamed of having.

I remember once, when I was a lad, looking at Eaton's catalogue. That was a long time ago; Eaton's have been in existence for a long time, like the capitalistic system. I was about six years of age, and I remember that on the cover of the catalogue there was a picture of the horseless carriage. I looked at my aunt and said, "Is that a horseless carriage, Aunt Laura?" She said, "Yes, Jim." My hon. friend said the Prime Minister does not know the meaning of words. I think he is very wrong. I think if my hon. friend wants to learn the meaning and magic of words all he needs to do is listen a little more to the Prime Minister, and he will be able to preach the greatest sermon he ever dreamed about. But I said to my aunt, "Horseless means without a horse, does it not?" And she said, "Yes, Jim." I said, "Will it go without a horse?" And she said, "It will go without a horse." "Will it go up hill," I

asked. "Certainly it will go uphill," she replied. Then I said, "Well, I don't believe it, Aunt Laura; I don't believe it will go without a horse." Then we had that fairy tale about Cinderella and Prince Charming, and the glass carriage with the four horses. What have we to-day? We have a little instrument that has the power of sixty or a hundred horses.

What has capitalism done? It has ransacked the ages and spoiled the climes. It has solved the problem of production, and beyond the dreams of avarice, beyond any conception that any of us ever can have, the future will be even more glorious than the past.

Now look at the next section of this resolution. After starting on its way by stating what I claim to be a falsehood, it says that the capitalistic system should be superseded by a cooperative commonwealth in which the profit motive would be subordinated to that of public service. My hon. friend from Winnipeg North Centre was a preacher of the gospel in which the ideal of unselfishness and public service was the keystone. For 1,935 years the Church of Jesus Christ has been alive in this world. The best educated, the most fearless and the best men we have are the priests and the preachers of our churches, but have the truths of the Christian religion penetrated to the core of society? Are they the dominating motives of men? Is unselfishness absolutely on the throne? Is it all powerful? How can we hope, by a resolution of this kind, to change the very nature of mankind? How can we hope, by dressing a criminal in a new suit of clothes, to make him a saint or a gentleman? How can it be done? Let us look at this problem from a philosophical standpoint. I have often wondered just why it was such good politics for a man to become a sort of socialist now and then.

Some hon. MEMBERS: Hear, hear.

Mr. STITT (Selkirk): I am telling you the truth, sir, the whole truth and nothing but the truth. When we get our feet around the old stove or before the fireplace and light our pipes, we pat ourselves on the back and suddenly we are all socialists. Is it not funny? But this is what struck me the other day, in thinking over this problem: Truth, as one of the great writers has said, is a jewel of many facets, and if we are to appreciate the whole truth we must be able to observe the beauty reflected from all the facets. Men have a very hard struggle to make a living. They have a harder struggle to attain independence or comfort; and when you seize upon this one condemnatory element in the system; when you abuse it, when you criticize it, when you damn it, you are at one with man in his despair. He agrees with you, because like most of us and unlike a few of us he knows that he cannot comprehend the sum total of reality, and that he will never discern all the lineaments or all the aspects of truth. You are certainly hitting upon one element of truth, but only one. Be very careful—and I say this in all kindness—be very careful that you do not unconsciously capitalize discontent—

Some hon. MEMBERS: Oh, oh.

Mr. STITT (Selkirk): I said "unconsciously," and I did not say it unkindly. We have to be very careful that we do not capitalize the forces of discontent and cause mankind to turn away from its true friends in a divine frenzy for beautiful abstractions which can mean nothing more than anguish.

Miss MACPHAIL: We had some beautiful abstractions in 1930.

Mr. STITT (Selkirk): I beg the hon. member's pardon?

Miss MACPHAIL: People turned to some beautiful abstractions in 1930.

Mr. STITT (Selkirk): I do not think so. However, the hon. member may have her own opinion, and I shall respect it as I always do. Perhaps I may ask the hon. member for Southeast Grey (Miss Macphail) this question: Is she at the present time a member of the Cooperative Commonwealth Federation?

Miss MACPHAIL: Ask the U.F.O.

Mr. STITT (Selkirk): Ask the U.F.O.? Well, "by indirections find directions out." I should like to ask the hon. member for East Hamilton (Mr. Mitchell) if he is a member of the Cooperative Commonwealth Federation?

Some hon. MEMBERS: No.

Mr. BELL (Hamilton): I rise to a question of privilege. I am the member for Hamilton.

Mr. STITT (Selkirk): Mr. Speaker, I was falling into the fatal error of looking at that jewel of truth and perceiving the wrong facet.

Let us go on with the resolution. We find in it the expression: "Ruthless competition replaced by collective ownership under democratic control". That is a mouthful. Is that communism? The resolution refers to ruthless competition which is to be replaced by collective ownership. The only collective ownership I could conceive would be ownership by the state. Does the expression "collective ownership" mean that the state shall own everything? And then we find the words "under democratic control". I believe the hon. member for Winnipeg North Centre in referring to democratic control this afternoon said that this House of Commons, organized as it is, is incapable of realizing what he had hoped it would realize. What does he mean by democratic control? What does he mean by collective ownership? How is he going to attain collective ownership? Is there to be utter and immediate confiscation by the passage of law, so that all property shall be vested in the state? If there is not to be confiscation will there be payment for the property which the state will vest in itself? If there is to be payment, what kind of payment will it be? How much will the payment be, and in what way will it be paid? What does the resolution mean, anyway?

I think, Mr. Speaker, that the resolution, like all Gaul, is divided into three parts; but where one can find more gall in one part than in the other is very difficult for me to state—although I think it is in the first part.

I agree with the mover of the resolution when he states that the system under which we live is not an ideal system; but I ask him what is his alternative? What is the argument derived from history, and what do we learn from our contemporary experience? Let us analyze the situation in Germany to-day. Germany is a country which does its business under a greater degree of state control than obtains in any other country, with the exception of Russia. I read an article a short time ago in Current History stating that when one goes down the main street of Berlin he sees all the glory and all the pageantry of pre-war days, but if he should get off the main street he would find that the condition of the people is bad beyond description. In those side streets he would find families going out day after day to beg for their bread. That is an example of state control. Let us go back to Russia. The hon. member does not like me to refer to Russia; however I shall tell about a young man who came back from Russia to my constituency. This young Polish chap had learned to make tractors in Henry Ford's factory, and had been persuaded to go to Stalingrad to assist the Russians in the manufacture of automobiles. He was supplied with everything in the way of clothes and food, and was given adequate police protection. In the Chase National bank of New York $180 was placed each month to his credit. Notwithstanding all this he came back to the constituency of Selkirk to live with his peasant father and mother. Speaking to the boy directly—because I did not obtain my information from any intermediary source—I said, "Why did you come back to this country where no doubt some months will elapse before you can obtain a position? Why did you leave that new country with all the privileges it held for you?" He said, "Mr. Stitt, I was afraid to go outside the compound at night." "Why were you afraid?" I asked. He replied, "The Russians were so poorly clad I was afraid they would murder me for my clothes."

As it is eleven o'clock, Mr. Speaker, I move the adjournment of the debate.

Motion agreed to and debate adjourned.

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

Tuesday, February 12, 1935

The house met at three o'clock.

VACANCY

Mr. SPEAKER: I have the honour to inform the house that I have received a communication from two members notifying me that the following vacancy has occurred in the representation, namely, of the Hon. Murray MacLaren, member for the electoral district of St. John-Albert, by acceptance of an office of emolument under the crown.

I accordingly issued my writ to the chief electoral officer to make out a new writ of election for the said electoral district.

RESIGNATION OF MR. T. L. McEVOY

Mr. SPEAKER: I have the honour to inform the house that the clerk has received

the resignation of T. L. McEvoy, Esquire, a committee clerk, House of Commons, which has been accepted, subject to ratification by the house, and that I have directed the clerk to lay upon the table the correspondence and my recommendation in relation thereto.

HUDSON BAY ROUTE

MARINE INSURANCE RATES ON HULLS AND CARGOES OUT OF CHURCHILL

On the orders of the day:

Hon. ALFRED DURANLEAU (Minister of Marine): On the orders of the day, on February 8, at page 668 of Hansard, the hon. member for Nelson (Mr. Stitt) asked the following question:

What steps is this government taking to have these rates, which are now five times greater than those from Montreal out of Churchill, brought somewhere near a parity with those prevailing out of the port of Montreal.

The Prime Minister in reply stated that Mr. Stitt's question would be taken as a notice and, after giving the position of the imperial shipping committee with regard to the matter, he further stated that it would be looked into carefully and an answer given by the Minister of Marine.

I am sorry that the hon. member for Nelson quoted only part of paragraph 13 of the fifth report of the imperial shipping committee on Hudson bay marine insurance rates for 1934. The last sentence of section 13 of that report, reads as follows:

We recognize, however, that underwriters conduct their business on the basis of recorded results and it must be admitted that, as long as the route is used by comparatively few vessels, a total loss may more than account for the whole profit of a season.

Section 15 of the same report reads as follows:

At his annual interview with the chairman of the joint hull committee, our chairman pointed out that the disparity between the rates for the suspension of warranty in respect of Montreal and Churchill would still be considerable in the coming season, but the chairman of the joint hull committee urged that, owing to the loss of the Bright Fan the loss ratio on the Hudson bay route was such that a further reduction in the rates of premium was not feasible for the present. The chairman of the joint hull committee, however, indicated that, if a considerable number of vessels visited Churchill during the 1934 season and there was no serious loss, the joint hull committee would be prepared to give favourable consideration to the question of a further reduction in the rates of premium.

During the 1934 season of navigation to and from Churchill, thirteen different cargo steamers used the route. Two of them made two voyages each making fifteen voyages in and out of Churchill. All ships made good voyages and the logs of the ships furnished by themselves do not record any accidents or casualties in Hudson bay and strait this year.

The Marine department's report on the navigation conditions in Hudson bay and strait during the season of navigation 1934, has just been completed and copies of it have been transmitted to the imperial shipping committee and a letter has been sent to the High Commissioner for Canada in London, who is Canada's representative on the imperial shipping committee, requesting him to have the committee do all possible to obtain further reductions in Hudson bay marine insurance rates.

CANADIAN NATIONAL RAILWAYS

REFUNDING OF MATURING AND CALLABLE FINANCIAL OBLIGATIONS

Hon. E. N. RHODES (Minister of Finance) moved that the house go into committee at the next sitting to consider the following proposed resolution:

That it is expedient to bring in a measure to provide for the refunding of maturing and callable financial obligations of the Canadian National Railways and for the issue of substituted securities therefor, guaranteed by the dominion, in an amount not exceeding $200,000,000.

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

Motion agreed to.

VANCOUVER CITY BONDS

On the orders of the day:

Hon. IAN MACKENZIE (Vancouver Centre): I would like to ask either the Minister of Finance or the Prime Minister whether the press dispatches are correct that representations have been made by the British government to this government with respect to the attempt that is now being made to lower the rate of interest on outstanding bonds of the city of Vancouver.

Right Hon. R. B. BENNETT (Prime Minister): The British government through the usual channels asked this government for the facts with respect to the situation. We advised them that the provinces were autonomous and they have taken such action as they thought advisable. We have had no communication other than through the usual channel, the High Commissioner, who inquired what the facts were so far as this government was concerned.

UNEMPLOYMENT INSURANCE

On the orders of the day:

Hon. ERNEST LAPOINTE (Quebec East): In view of the proposed legislation on unemployment insurance, as the second reading of the bill is fixed for to-day may I ask the Prime Minister to lay on the table of the house the draft convention adopted at the international labour conference at Geneva last year with regard to a scheme of unemployment insurance.

Right Hon. R. B. BENNETT (Prime Minister): I assume that the hon. gentleman has seen the draft convention which comprises many matters in addition to unemployment insurance. I have not it beside me, but I will lay it on the table.

Mr. LAPOINTE: There are fewer matters in the convention than there are in the bill of the right hon. gentleman; there are only twenty-three sections as against forty-five in the proposed legislation.

Mr. BENNETT: This is not the appropriate time to enter into a discussion, but surely the ex-Minister of Justice knows the details of legislation in each country are not entirely the same as those contained in the draft convention.

Mr. LAPOINTE: Surely the Prime Minister knows when he introduces legislation like that, he should give to the house the draft convention regarding it.

USE OF DRUG HEROIN

On the orders of the day:

Mr. J. L. BROWN (Lisgar): Have any representations been made to the Minister of Pensions and National Health regarding the prohibition of the importation and use of the drug heroin. Has he any statement to make in regard to the matter?

[Mr. I. Mackenzie.]

Hon. D. M. SUTHERLAND (Minister of Pensions and National Health): I was not very clear as to the question, but I shall read it and give the hon. member an answer to-morrow.

MARITIME RIGHTS COMMISSION

On the orders of the day:

Hon. J. L. RALSTON (Shelburne-Yarmouth): Has the government received a report from the commission headed by Sir Thomas White with regard to maritime claims, and if so, when will the report be made public?

Right Hon. R. B. BENNETT (Prime Minister): No such report has been received.

FARMERS' CREDITORS ACT

APPOINTMENT OF COUNSEL TO REPRESENT FARMERS BEFORE PROVINCIAL BOARD OF REVIEW

On the orders of the day:

Mr. CAMERON R. McINTOSH (North Battleford): I have a question to direct to the Minister of Finance. It arises out of a communication from Mrs. S. Ferguson, secretary of the rural municipality of Great Bend, No. 405, Saskatchewan. In the letter there is this resolution endorsed by the council of that municipality:

> That we recommend to the proper authorities that a capable lawyer be appointed by the government to represent farmers in cases of applications for debt adjustment brought before the provincial board of review.

My question is as follows: In view of the fact that loan companies and other corporations in every debt arrangement case passed on to the provincial board of review will be represented by able legal counsel, will the minister, to avoid placing farmers in a position of disadvantage and discrimination, consider the advisability of providing them with competent counsel before the board?

Hon. E. N. RHODES (Minister of Finance): This matter was brought to my attention some two or three weeks ago by wire from one of the larger agricultural organizations in western Canada. I advised them immediately in reply to the effect that if it was demonstrated in practice that solicitors for the farmers were required to be appointed,

they would be, but that until such time as it was demonstrated that they were required, they would not be. I may say that this is a matter that I cannot discuss at this stage on the orders of the day, but when we are discussing the details of the farm loan measure I shall be glad to go into the matter at greater length.

HOUSING POLICY

On the orders of the day:

Mr. J. A. MERCIER (Laurier-Outremont): On January 24, the Prime Minister, on the discussion on a proposed national housing policy, said that at a later date he would state whether a special or a select standing committee should be named to consider the matter. Is he in a position to say when this question will be brought up?

Right Hon. R. B. BENNETT (Prime Minister): I gather from inquiries made that the house will be satisfied with a select committee and it is proposed to appoint a committee of fifteen. I have asked the government whip to confer with the whips of the other parties for the purpose of securing the names of their representatives on the proposed committee.

ELECTRICITY INSPECTION ACT

Hon. R. B. HANSON (Minister of Trade and Commerce) moved the second reading of Bill No. 18, to amend the Electricity Inspection Act, 1928 (French version).

Motion agreed to, bill read the second time, considered in committee, reported, read the third time and passed.

UNEMPLOYMENT INSURANCE

MEASURE TO ESTABLISH AN UNEMPLOYMENT AND SOCIAL INSURANCE COMMISSION

Right Hon. R. B. BENNETT (Prime Minister) moved the second reading of Bill No. 8, 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.

He said: Mr. Speaker, Bill No. 8 standing in my name, the second reading of which I now have the pleasure of moving, has been printed in English and in French for some days, and ample opportunity has been afforded to members of the house to make themselves familiar with its provisions. Our rules do not contemplate the discussion of sections of the bill seriatim on its second reading, but rather a discussion of the principles underlying the measure submitted to the house for its consideration. Therefore I shall content myself with endeavouring to keep within the rules, and shall confine my observations to the general principles of the measure.

It will be observed that the words used are "unemployment insurance." Therefore it is well at the outset to realize that this is an insurance measure, and not a relief measure. Insurance means that on the payment of a sum of money, usually called a premium, and most frequently paid in advance, the person paying such premium is entitled to a benefit if certain events happen or certain contingencies arise. The right to that benefit is dependent usually upon the insured person satisfying certain requirements. That is the essence of unemployment insurance; a sum paid for the purpose of securing a future benefit. In this instance the sum is to be paid by the employer, by the employee and by the state jointly, the sum total of these contributions constituting the premium which actuarially ensures to the beneficiary the benefits mentioned in the measure. To that extent it is not materially different from an ordinary insurance policy, which contemplates the payment of stated sums to the person named as the beneficiary upon certain contingencies or events happening, such payments to be made on conditions named in the insurance policy itself.

The discussion therefore is narrowed down to a consideration of what may be regarded as the basic principles upon which this insurance benefit is to be paid. I have already indicated that the premium is to be paid by three contributors, and that the benefits accrue upon the happening of certain contingencies, and on the condition that the insured has met certain requirements.

Leaving that for the moment, the question of administration becomes of paramount importance. Is an insurance plan of this character to be administered by the state itself, or is an organization to be set up clothed with the powers necessary to discharge the

functions of administration? We have followed the British system in many of the provisions of the bill, but as far as administration is concerned the scheme provided by this bill, as will be observed by hon. members who have read it, is to be administered by a commission. The commission will consist of three persons. They will represent the great mass of employees, the employers, and the government. The provisions that enable labour and the employers to be represented are set out at length in the measure. In addition there is to be set up an advisory committee, which in essence is to be the watchdog of the fund. The function of the advisory committee is indicated by its name. It is expected that there will be a measure of voluntary service, and it has been found in most countries that there are, citizens so well-disposed towards social problems as to render their services gratuitously, but whether gratuitously or otherwise I am not at the moment concerned, beyond saying that the advisory committee will consist of a body of men of the highest possible type, to ensure that the fund is maintained in its integrity and that in every respect the terms and provisions of the statute are observed. In practice I think it will be found, as it has been found elsewhere, especially in England, that such a committee will ensure the commission discharging its duty free from any political considerations.

Then going a step further, it will be found that local committees for advice and assistance are to be provided, and on all these committees both employers and labour will have representation. The bill itself sets forth how these details are to be worked out. Section 36 is important in explaining the functions of the advisory committee. There are three great divisions with respect to administration, namely the commission, the advisory committee and the local committee. The purpose is that, subject to the sufficiency of the fund being maintained, which of course is a matter guaranteed by the membership of competent persons upon the advisory committee, benefits can be either high or low as the premiums paid may ensure. That is, the benefits may be larger if larger premiums are paid, the benefits may be diminished if the premiums are less than those mentioned in the measure. In other words it is the duty of the administrative bodies to see that the fund is maintained in its integrity, that it is sound actuarially, and that the benefits paid are such as the premiums paid by the insured will purchase.

[Mr. Bennett.]

The next question that might be asked would be, who are to be insured under this measure? The first part of the schedule indicates clearly who are to be insured; I do not think it serves any useful purpose to read the provisions at length, beyond pointing out that they are set forth at page 31 of the draft bill:

Employment within the meaning of part III of this act,—

(a) Employment in Canada under any contract of service or apprenticeship, written or oral, whether expressed or implied, or whether the employed person is paid by the employer or some other person, and whether under one or more employers, and whether paid by time or by the piece, or partly by time and partly by the piece, or otherwise.

(b) Employment under the dominion, or under any province of Canada with the concurrence of the province, or under any municipal or other public authority, other than any such employment as may be excluded by special order of the commission.

(c) Employment outside of Canada, or partly outside of Canada, for the purpose of the execution of some particular work, by persons who were insured contributors immediately before leaving Canada, for an employer resident or having a place of business in Canada, being employment which if it were employment in Canada, would make the persons employed therein employed persons within the meaning of this act; subject however, to any prescribed conditions, modifications or exceptions.

I read that as indicating the persons included within the purview of the measure. Then in part II the excepted employments are included. It is hardly necessary to point out to this house that all are not insured under this act. There is no measure in any country that insures all persons who may be employed. That, of course, is elementary; it need hardly be mentioned to bring it to the attention of hon. members. The excepted employments are:

(a) Employment in agriculture, horticulture and forestry.

(b) Employment in fishing.

(c) Employment in lumbering and logging.

About that I shall have something to say a little later.

(d) Employment in hunting and trapping.

(e) Employment in transportation by water or by air, and stevedoring.

(f) Employment in banking, mortgage, loan, trust, insurance or other financial business.

(g) Employment in domestic service, except where the employed person is employed in a club or in any trade or business carried on for the purposes of gain.

(h) Employment as a professional nurse for the sick or as a probationer undergoing training for employment as such nurse.

(i) Employment as a teacher, including teachers of music and dancing, whether engaged in schools, colleges, universities or institutes or in a private capacity.

(j) Employment in the permanent active militia, The Royal Canadian Navy, the Royal Canadian Air Force and the Royal Canadian Mounted Police.

(k) Employment as a member of dominion, provincial, or municipal police forces.

(l) Employment,—

(i) in the public service of Canada pursuant to the provisions of the Civil Service Act; or

(ii) in the public service of Canada or of a province or by a municipal authority upon certification satisfactory to the commission that the employment is, having regard to the normal practice of the employment, permanent in character.

(m) Employment as an agent paid by commission or fees or a share in the profits, or partly in one and partly in another of such ways, where the person so employed is mainly dependent for his livelihood on his earnings from some other occupation, or where he is ordinarily employed as such agent by more than one employer, and his employment under no one of such employers is that on which he is mainly dependent for his livelihood.

(n) Employment otherwise than by way of manual labour and at a rate of remuneration exceeding in value two thousand dollars a year or in cases where such employment involves part time service only, at a rate of remuneration which, in the opinion of the commission, is equivalent to a rate of remuneration exceeding two thousand dollars a year for full time service.

Provided that any person in respect of whom contributions have been paid as an insured contributor for not less than five hundred weeks may continue as an insured contributor notwithstanding anything in this paragraph contained.

(o) Employment of a casual nature otherwise than for the purpose of the employer's trade or business.

(p) Employment of any class which may be specified in a special order made by the commission, and declared by the commission to apply for the purposes of this act, as being of such a nature that it is ordinary adopted as subsidiary employment only and not as the principal means of livelihood.

(q) Employment in the service of the husband or wife of the employed person.

(r) Employment for which no wages or other money payment is made, where the person employed is the child of, or is maintained by the employer.

The list is long, but in reality it may be divided shortly into two classes. One class is composed of those who, by reason of their employment, are assured of certain benefits; that is, those who are in the civil service and who are entitled to allowances or those who are employed in the militia or the police forces of the country, using those as illustrations. The second class includes those whose employment may be classed as more or less casual and therefore not such as might be anticipated to be within the provisions of an unemployment insurance act. With respect to the latter class, I referred to persons engaged in the logging industry. In some parts of the country that is a very seasonal employment, and it would not be possible for employees to be engaged continuously for a sufficient number of days to bring themselves within the act. But apart from the fact that it may be desirable, during the progress of the bill through committee, to amend its provisions in that regard, I think I should point out that in one part of Canada the occupation of logging extends over the whole year, in which event provision might be made to meet such a case. But apart altogether from the power to amend in committee if it is thought desirable so to do, section 7 contains one of the most important provisions in the act. It enables the commissioners to propose plans or schemes that will enable those who do not come within the purview of the act to be brought within its operation either directly or by means of a special scheme. That is, if on inquiry it is found that, from an actuarial standpoint, the employment is such as would warrant provision being made for that class of employees to which I have referred, then under section 7 provision is made by which that may be done.

Those are the general provisions as to those who may and those who may not come within the operation of the act. It may be a matter of interest to ascertain what the numbers were according to the census of 1931. I use the census figures because there has been so much doubt and conjecture as to the numbers in other cases, and I think it desirable to accept the census of June 1, 1931, for the purpose of indicating to the house the numbers that will be affected by the measure, as indicated by those census figures. The total employees in Canada as shown by the census returns, as of June 1, 1931, were 2,566,001, of whom 2,018,334 were male and 547,667 female. Within the industries that I have just mentioned under part 1 of the act,

according to the census figures of 1931 the total number affected by this bill would be 1,701,834, of whom 1,406,930 would be male and 294,904 female. According to the same figures the number excluded would total 864,187, of whom 611,404 would be male and 252,763 female. Itemized, the figures from the census bureau are as follows:

Excluded Males

Agriculture	200,468
Fishing and trapping	10,379
Logging	41,480
Finance	57,627
Miscellaneous, and excluded occupations in included industries	301,450

In the finance division 24,822 were female and 227,941 were included in the miscellaneous and excluded occupations in included industries, making a total of 252,763, which added to those males employed in the industries I previously indicated gives a total of 864,167 not included. It will be observed, therefore, that this measure does not include those employed in banks, insurance companies, trust companies or loan companies or under the general designation of finance; those are not included under the operation of the bill, to the extent of the number I have just given.

Having indicated those who are included and those excluded from the operation of the bill it might be thought desirable to ascertain what premiums they must pay; ordinarily that would be the next question that might be asked. That will be found at page 33 of the bill in detail.

In order that there may be a clear appreciation of contributions, I shall call attention to them as I go along. If a male employed person is aged 21 years or upwards, the employer will pay 25 cents a week, and the employed person himself will pay 25 cents per week. A woman would pay four cents per week less, and the employer would also pay four cents less each week. If a young man between the ages of 18 and 21 years is employed he will pay 18 cents per week and the employer will pay a similar sum. A young woman between the same ages will pay three cents per week less, or 15 cents, and the employer will pay the same amount. Between the ages of 17 and 18, which is the lowest class except one, which I shall presently mention, the boy will pay 11 cents per week and the employer a similar amount. Girls will pay nine cents and the employer nine cents per week. Boys aged 16 years but under 17 will pay seven cents per week, and the employer will pay seven cents. Girls of the same age will pay six cents, and the employer of those girls a like amount.

[Mr. Bennett.]

Then if hon. members will turn to page 35 in the bill they will find what the payments of those premiums, plus the amount paid by the state, will enable the people affected to secure by way of benefits. A man aged 21 years or upwards will receive $1 per day or $6 per week. A woman will receive 85 cents per day or $5.10 per week. A young man aged 18 but under 21 will receive 70 cents per day, or $4.20 per week, while a young woman of similar age will receive 60 cents per day or $3.60 per week. Under the classification of 17 years and under 18, boys will receive 45 cents per day or $2.70 per week, and girls 35 cents per day or $2.10 per week. A boy aged 16 years and under 17 will receive 30 cents per day or $1.80 per week, and a girl 25 cents per day or $1.50 per week. There is a provision also for dependents. An adult dependent will receive 45 cents per day or $2.70 per week, and a dependent child 15 cents per day or 90 cents per week.

Those are the benefits to be derived from the payment of the premiums I have indicated. I have already stated that the employers and employees do not make the complete contribution. There is a contribution made by the state, and those who are interested will observe in the measure that the administration costs are to be paid by the government of the country. They will find at page 24 of the bill that the contribution by the government in addition to administration costs, is to be 20 per cent or one-fifth of the sum paid by the aggregate deposits from time to time made by the employers and employees. That sum is to be deposited to the credit of the fund by the Minister of Finance. We propose to keep the closest possible record of the costs of administration. It is but fair to say that in England the cost of administration has been about 12½ per cent. To what extent that may be lessened in this country it is difficult to say, but I should say that having regard to distances it would be highly improbable that the cost would be less, and in my judgment it will be more.

Perhaps at this point some hon. members may be interested to know the benefits paid under the English plan, converted into our money at the proper rate of exchange, plus 25 per cent which is supposed to represent the difference in living costs between this country and Great Britain. Whether or not that is an accurate statement I cannot say, but that is the figure which economists and actuaries are prepared to support. The table is an interesting one, and although it is perhaps not desirable to take too much time to read it at length, I shall read a portion of it at any rate. I shall place the complete table on record, and deal in greater detail with those parts which I believe are of interest. The table is as follows:

[Mr. Bennett.]

Table showing the weekly rates of benefits from time to time paid under the British unemployment insurance scheme; also those benefits converted to Canadian currency at $4.86⅔ to £1 and increased by 25% to allow approximately for the difference in cost of living. On the final line are shown the benefits in Bill No. 8.

Date when benefits became effective	Men	Women	Young men	Young women	Boys	Girls	Adult dependent	Dependent child
8/1/13	Ages 18–64 7/– $2.13	Ages 18–64 7/– $2.13	Included under "men" until 1928	Included under "women" until 1928	Under 18 3/6 $1.06	Under 18 3/6 $1.06	No benefit until 1921	No benefit until 1921
25/12/19	11/– $3.35	11/– $3.35	.....	.....	5/– $1.52	5/– $1.52	.....	.....
8/11/20	15/– $4.56	12/– $3.65	.....	.....	7/6 $2.28	6/– $1.82	.....	.....
3/3/21	20/– $6.08	16/– $4.87	.....	.....	10/– $3.04	8/– $2.43	.....	.....
30/6/21	15/– $4.56	12/– $3.65	.....	.....	7/6 $2.28	6/– $0·182	.....	.....
10/11/21	Do.	Do.	.....	.....	Do.	Do.	5/– $1.52	1/– $0.30
14/8/24	18/– $5.47	15/– $4.56	.....	.....	Do.	Do.	Do.	2/– $0.61
19/4/28	Ages 21–64 17/– $5.17	Ages 21–64 15/– $4.56	.....	.....	Under 18 6/– $1.82	Under 18 5/– $1.52	7/– $2.13	Do.
2/7/28	Do.	Do.	Age 18 10/– " 19 12/– " 20 14/– Age 18 $3.04 " 19 3.65 " 20 4.26	Age 18 8/– " 19 10/0 " 20 12/– Age 18 $2.43 " 19 3.04 " 20 3.65	Do.	Do.	Do.	Do.

13/3/30	Do.	Do.	Ages 18–20 14/–	Ages 18–20 12/–	17 9/– Under 17 6/–	17 7/6 Under 17 5/–	9/– $2.74	2/– $0.61
			$4.26	$3.65	17 $2.74 Under 17 $1.82	17 $2.28 Under 17 $1.52		
10/8/31	15/3	13/6	12/6	10/9	17 8/– Under 17 5/6	17 6/9 Under 17 4/6	8/–	Do.
	$4.64	$4.11	$3.80	$3.27	17 $2.43 Under 17 $1.67	17 $2.05 Under 17 $1.37	$2.43	.....
1934	17/–	15/–	14/–	12/–	17 9/– Under 17 6/–	17 7/6 Under 17 5/–	9/–	Do.
	$5.17	$4.65	$4.26	$3.65	17 $2.74 Under 17 $1.82	17 $2.28 Under 17 $1.52	$2.74	
Benefits in Canadian Bill	$6.00	$5.10	$4.20	$3.60	17 $2.70 16 1.80	17 $2.10 16 1.50	$2.70	$0.90

NOTE.—The benefits shown above in Canadian currency are the equivalent of the benefits in English currency increased by 25% to allow approximately for the increase in the cost of living.

This table shows the weekly rates of benefits from time to time paid under the British unemployment insurance scheme, converted to Canadian currency at the rate of $4.86⅔ cents to the pound, and increased by 25 per cent to allow approximately for the difference in the cost of living. On the bottom line of this table are shown the benefits as they would be under the bill which I now submit to the house. I need hardly say that commencing with the year 1913 there is a steady increase in the benefits payable under the British act. When the act began operation in 1913 men between the ages of 18 and 64 received the amount of $2.13; as I have said this money is converted into our currency and 25 per cent added. Women between the ages of 18 and 64 received the same benefit. Boys under 18 received $1.06, and girls received the same amount. Adult dependents did not receive anything in England when the act originated, and in fact did not receive anything until 1921. Nor were there any provisions made for dependent children until that year. After the amendment of 1919 men between the ages of 18 and 64 received $3.35 per week, and women of a similar age received the same amount. Boys under 18 and girls under 18 received the same benefit, namely $1.52 per week.

Then there was the further amendment in 1920 as a result of which men between the ages of 18 and 64 received $4.56, and women received $3.65. Boys under 18 years received $2.28 per week, and girls at that time suffered a lessening, as compared with the figure then paid to men, by being reduced to $1.82.

In 1921 there was a further amendment which brings the sum payable to men between the ages of 18 and 64 up to $6.08 per week, in our money, there were then no dependents' benefits. Women receive $4.87. Boys of 18 and under $3.04 and girls $2.43. Then came the later amendment of 1921 whereby men between the ages I have indicated, namely 18 and 64, reach $4.56 and women $3.65. Boys under 18 received $2.28 and girls $1.82.

Then for the first time provision was made for dependents, and adult dependents are shown at $1.52 per week, and for dependent children there is a further payment to the family head of 30 cents per week. This continues until 1924 at which time there was a further amendment regarding benefits. In that year benefits are brought to $5.47 for men between the ages of 18 and 64 and $4.56 for women. There was no change with respect to boys or girls under 18 and no change with respect to dependents except in the case of children. It was then provided that for each dependent child there should be paid an additional sum of 61 cents—not 30 cents per week.

Then came the amendment of 1928, at which time there was a change with respect not only to ages but to benefits. In that year those who received benefits under the act and were between the ages of 21 and 64 would receive, if men, the equivalent of $5.17 each week, and if women, the amount is $4.56. In the same year boys under 18 receive $1.82 and girls $1.52 per week. The benefits for adult dependents are raised to $2.13 per week, while those payable with respect to dependent children remain at 61 cents as before.

Further and special provisions were made in that year for those of the ages eighteen, nineteen and twenty, for as I have just pointed out under the act of that year provision was made for those between the ages of twenty-one and sixty-four, and not between eighteen and sixty-four; and so special provisions were made for those of eighteen and nineteen and twenty. Boys of eighteen received per week $3.04; nineteen, $3.65; twenty, $4.26; girls of eighteen received $2.43; nineteen, $3.04, and twenty, $3.65.

The law thus remained until 1930 when it was again amended, there being no changes however with respect to men and women but a slight change with respect to those of the ages of eighteen, nineteen and twenty, who were lumped in one class and received a benefit of $4.26 per week for the young men, and the girls received $3.65.

Special classifications were made of those of seventeen, and under, both for the boys and the girls. The boys under seventeen received $1.82, and $2.74 if seventeen years old. The girls of seventeen received $2.28, and under that age $1.52.

There were also certain changes made that year with respect to the benefits payable for adult dependents, the amount being increased to $2.74 per week in our money.

In 1931 there was a further amendment to the statute so that men between the ages of twenty-one and sixty-four entitled to benefit received $4.64 per week, and the women $4.11; the men between eighteen and twenty, $3.30, and the girls between eighteen and twenty $3.27 per week. There were special provisions for girls of seventeen, and under seventeen, the former class receiving $2.05 and the latter $1.37 per week, while boys of seventeen received $2.43, and those under seventeen $1.67 per week. The adult dependent rate was decreased to $2.43 per week.

In 1934, that is last year, the final amendment to the act was made consequent upon the report of the royal commission which investigated the whole question, to which report I referred a few days ago. In that year parliament once more legislated and provided that men between the ages of twenty-one and sixty-four entitled to the benefits would receive in our money $5.17 per week, and women $4.65; the young men $4.26 if between the ages of eighteen and twenty, and the young women between eighteen and twenty $3.65 per week. Boys of seventeen received $2.74 per week and under seventeen $1.82; while girls of the age of seventeen received $2.28, and under that age $1.52. Again the adult dependent rate was increased from $2.43 to $2.74 per week.

Comparing the figures under the British act of 1934 plus an increase of 25 per cent to offset the difference in living costs between the two countries with the figures under Bill No. 8 now submitted to the house it will be observed that the benefits under the Canadian bill for men between twenty-one and sixty-four are $6 per week as against $5.17 under the British bill of last year, and $5.10 for women as against $4.65 for women under the British bill of last year; and for men between eighteen and twenty $4.20 per week in Canada as against $4.26 under the British bill, and for females between the ages of eighteen and twenty $3.60 per week here as against $3.65 per week in Great Britain, converted into Canadian funds. For boys of the age of seventeen the rate in Canada is $2.70 and $2.74 in Great Britain at par of exchange. For boys under seventeen, $1.80 in Canada and $1.82 in Britain; and for girls $2.10 in Canada as against $2.28 in Britain; $1.50 for those under the age of seventeen in Canada and $1.52 for those under seventeen in Britain. The dependent payment to adults in Canada is $2.70 per week as against $2.74 in Britain, and the payment for each child in this country is 90 cents per week as against 61 cents under the British act.

Mr. BOURASSA: May I ask the right hon. gentleman if with these changes in the benefits in Britain the rates of contribution were changed in proportion?

Mr. BENNETT: The hon. gentleman has asked a question about which the royal commission had to make most careful inquiry in Britain because it will be within the memory of my hon. friend from Labelle that the British fund owing to abnormal unemployment had to borrow large sums from the state, and the rates of contribution were not sufficient to enable the benefits I have indicated to be paid. Therefore the British bill was entirely revised and rearranged, and the contributions placed upon a basis that was believed to be such as could be maintained and be actuarially sound under the bill of 1934. That is the reason it has taken considerable time to prepare carefully the measure now before the house and have the actuaries perfectly satisfied that the contributions made will without question pay the benefits provided. I do not know that I could do better perhaps than to read one or two sections from the report of the royal commission which reported on this question. I noted them as being important perhaps from the standpoint of the house, although the report is in the library. The report touches upon the very question which the hon. member for Labelle has just raised, beginning at paragraph 407, which reads:

> 407. We have considered the desirability of reintroducing the principle of directly relating the period for which a claimant should be allowed to draw benefit to his contribution record. The weakness of a fixed limit of benefit for all contributors is that there is no discrimination between the worker with a good employment record over many years and the worker who has paid only the minimum number of qualifying contributions. If the risk of unemployment to which different persons were exposed was entirely free from influences within their control, it might be justifiable to allow all claimants an equal maximum period of benefit, though even then there would be a strong case for favouring the claimant with the better record. As we have stated, this is not the case, and it is necessary to devise practicable safeguards which will at the same time do justice to the general body of insured persons.
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> 408. The alternatives are either (a) as at present to allow a short period of benefit on a uniform basis for all contributors; or (b) to find some automatic method of selecting the claimants who may reasonably be given a title to a longer period of insurance benefit. The second alternative is the one which, in our view, is preferable. As a general proposition, the claimant with the better record of employment in the past is less likely to make unreasonable claims than the claimant whose contribution record is hardly more than sufficient to pass the qualifying test. We are, accordingly, in favour of restoring the principle of relating the period of benefit to the record of insurable employment over a recent period. For administrative purposes, it is desirable that the period to which reference is made should not extend beyond five years or some such period.

I might make some short observations as indicating the general operation of the English act, as reported in Glen's Unemployment

Assistance, which at page 112, answers perhaps in a single word the question that the hon. member for Labelle has asked with respect to the English provisions:

(1) An insured contributor who is between the ages of sixteen and sixty-five years and is unemployed shall, if he proves that the statutory conditions are fulfilled in his case, and if he is not disqualified under the Unemployment Insurance Acts for the receipt of benefit, be entitled, subject to the provisions of those acts, to receive in a benefit year, benefit—

so and so and so. I shall not take up time in reading it all.

In Canada we have followed the same principle, and the contributions, we are informed by the actuaries, will produce the benefits provided.

It will be observed that there is also a provision whereby the person who is continuously employed and who later finds himself out of employment may be entitled to additional benefits. That is, by his contributions he has earned additional benefits under the provisions of the statute. His good record of employment, so to speak, has operated to increase for him the number of payments that he is entitled to receive under the statute.

I have indicated what benefits are paid, and the next question to ask is this: What are the conditions under which benefits are to be received? Just as in the case of accident insurance one has to ask oneself, looking at the policy, what the conditions are under which benefits are received in the event of suffering accident, so in the event of suffering unemployment we must ask whether or not the conditions imposed by the statutory policy have been complied with. They will be found in section 20 of the bill. It is provided first of all that contributions for not less than forty full weeks—exclusive of any unemployed days for which he is entitled to a refund of contributions paid by him—shall have been paid in respect of him while employed in insurable employment during a period not exceeding two years immediately preceding the date on which a claim for benefit is made. Secondly, he must have made application for unemployment benefit in the prescribed manner, proving that since the date of the application he has been continuously unemployed. And in the third place, he must show that he is capable of and available for work but is unable to obtain suitable employment. There must be a combination of these three factors to enable him to become a recipient of benefits under the policy he has. The details I do not propose to amplify on the second reading of the bill because they are rather numerous and it will take some time to deal with them.

I have thus stated, without going into a mass of details, the conditions under which benefits accrue or attach to the insured person; the sum he is entitled to receive per week for payment of premiums he has made; and the conditions under which and the period for which he will receive benefits. The next point is: How will his claim be settled? The provisions for settlement of the claim are set out in the act, so that the claim can be settled on the spot locally by the insurance officers.

Then there is provision with respect to a board of referees and ultimately the umpire. There is a provision here, to which the trades and labour council indicated the other day they were opposed, for appeal to the exchequer court, not for the purpose of determining the amount to be paid, but questions of law that may arise as to the status of a person under the act. If it is thought desirable when the bill is in committee that such a provision should not be made, I am quite content; but it is placed in the bill in order to ensure judicial interpretation, if doubt arises, as to the insurability of any one affected by the measure. Sometimes judicial determination of the meaning of a section becomes of the utmost importance to maintain uniformity in the interpretation of any measure. I remember that once in my more youthful days, when visiting London, I heard argued in the House of Lords a case that involved a small sum of money, but it was important from the point of view of determining the meaning of a statute in order that it might be applied to all cases that might arise; and the acute differences of judicial opinion made apparent to me at once the necessity for judicial interpretation, which sometimes is highly desirable in dealing with certain matters. The provision is inserted in the statute to enable judicial interpretation by the exchequer court to be obtained. If the house in committee thinks it undesirable to pursue that course, it is quite satisfactory, so far as we are concerned, that it should not be proceeded with.

The provisions with respect to settlement of claim will be found in section 27 and succeeding sections of the act. There is one other provision contained in this bill which I think is of very great importance. It is one which in a measure we have acted upon since 1919-20—that is, the setting up and maintenance in efficiency of unemployment exchanges. Obviously, in a country of great distances such as this, it is difficult if not

impossible to move labour, notwithstanding the fact that the hon. gentleman from Lisgar (Mr. Brown) said that one might be in Halifax to-day and in Vancouver to-morrow. It is not easy to move labour from one part of Canada to another, though it is not difficult to shift it from one part of a province to another; and the maintenance of labour exchanges throughout the country is therefore one of the most important provisions of this legislation. It is intended thereby to ensure that where there is a surplus of labour at one point and a deficit of labour at another, the surplus labour may be made available for supplying the point at which there is a deficit. In my judgment, a complete exchange system in this country will be of the utmost value. I do not desire in any sense to overestimate it. It will be necessary to subdivide the country. Just as in England, Scotland and Wales, with a population of forty millions, there are seven divisions in connection with labour exchanges, so there will have to be divisions here; though in a country such as Canada, where distances are great, it will be for the commission to determine what is a reasonable number. I do not think that as large a number as seven is at all necessary or desirable; but that these labour exchanges can and will discharge a most useful and salutary service goes, I think, almost without saying.

Mr. MACKENZIE (Vancouver): Will they interfere with provincial services?

Mr. EULER: I was going to ask whether this was intended to supersede the offices now in existence in the various towns.

Mr. BENNETT: They are maintained partly by the provinces and partly by the dominion, and it is contemplated that so far as possible the same shall continue. But the responsibility with respect to the maintenance of the offices will rest with the commission, operating of course in the closest cooperation with the provincial authorities. It would be idle to express an opinion in anticipation as to the success with which that cooperation will take place. But if the offices of the commission are governed by the rules set forth in the statute I have no doubt of the earnest desire of the provinces to cooperate with them; and on the other hand, with the knowledge which the provincial authorities must have, it is obvious that their cooperation is of the utmost importance with respect to the successful administration of the act itself.

I do not propose to trespass longer upon the time of the house in dealing with this measure beyond saying this, that clearly, in the very nature of things, it must consist of many sections of detailed provisions for administration. In the main the principles of the British act have been followed. Obviously, there must be many changes in comparison with a country where there is a unitary form of government as distinguished from the form in this country; and there must be many differences in administration, having regard to the sparse population on the one hand as compared with the very large population on the other, as in Great Britain. The numbers receiving insurance benefits in Great Britain are many millions; in this country those who would receive benefits are of course much more limited in number.

I do not desire for a moment that there should be any misapprehension on the part of hon. members of this house as to the nature of this legislation. My hon. friend from Winnipeg North Centre (Mr. Woodsworth) yesterday attributed to me words which I cannot find that I ever used; but inasmuch as he indicates that I have no knowledge of the meaning of words, it is possible that they may have been used without my having an understanding of their meaning. I can find no evidence of it, looking through the record. However, I desire to make it abundantly clear that this is intended as a measure of reform and not of relief. Not for a single moment do I suggest that this will relieve the position of unemployed men at the present time. I have never done so. I have other ideas as to how that may be dealt with, but I want to make it abundantly clear—

An hon. MEMBER: After four years.

Mr. BENNETT: Someone suggests four years. If the hon. gentleman had been through the four years I have been through, he would not be talking about anything other than the conditions that obtained during those four years.

I might make it clear that if during the years preceding 1930, from 1922 to 1928 or 1929, we had had a measure such as this, we would by reason of the conditions prevailing in a new country as distinguished from an old, have an entirely different situation from that which we find in an older civilization. I need hardly point out to every hon. member that in a new country with the development of its resources, with employment steadily mounting and increasing, the contributions would also have been mounting and becoming greater and as the claims upon the fund would be fewer because of increased occupation, the surplus which would have developed would have been very

considerable. But we have faced a situation in which we have paid out very large sums of money for the purpose of assisting the provinces in the discharge of their obligations. Through the provinces we have assisted the municipalities and there has been no fund from which the unemployed have been able to draw excepting by way of relief. I repeat: this measure is not submitted as a relief measure; it is submitted as an earnest effort on the part of the government to provide machinery whereby the condition which has obtained will not again prevail, that such measures as those which have been taken in other countries to meet the situation to which I have referred will be available in Canada, and that by the joint efforts of indvidual workmen, their employers and the state, a condition will be created that will make it impossible to have a recurrence in this country of what we passed through during the last four years. It is for that reason this measure is submitted to the house and without detailing it at greater length I invite in committee a careful scrutiny of its provisions and an examination of its sections so that by constructive efforts made by members on either side we may be able to ensure that the legislation meets the conditions with which we are faced and will be able, as I say, to prevent the recurrence in this country of the sad conditions through which we have passed during the last few years.

Right Hon. W. L. MACKENZIE KING (Leader of the Opposition): Mr. Speaker, the bill which is now before us for second reading is entitled:

> An act 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.

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. The Prime Minister (Mr. Bennett) in the concluding part of his remarks asked why it was that we had not introduced a similar measure some years ago, or rather he put it in a more pointed way, so far as hon. gentlemen on this side are concerned, when he said that, if we had placed an unemployment insurance measure on the statutes some time between 1922 and 1928 or 1929, he would not have had to be meeting the difficulties of the present situation. I shall take advantage of the Prime Minister's remarks in that connection to place before the house the situation with which the Liberal administration was confronted when it came into office, its attitude toward social legislation at that time, and the reason why in regard to the enactment of social legislation it was not then possible to include a measure providing for a national system of unemployment insurance. I think if the house will bear with me for a short time, it will find that a measure of unemployment insurance could not very well have been added to the other measures of social insurance which were introduced while the late Liberal administration was in office.

In order to make perfectly clear the position and attitude of the Liberal party towards social insurance and unemployment insurance in particular, I should like to go back to the time at which I was chosen leader of my party and to give to the house the resolution which was adopted by the National Liberal convention in August, 1919. That resolution was as follows:

> The National Liberal convention accept in their entirety as a part of the Liberal platform, in the spirit they have been framed and in so far as the special circumstances of the country will permit, the terms of the labour convention and general principles associated with the League of Nations and incorporated in the conditions of peace.

Then there followed several items that are set forth in the League of Nations document. The Liberal convention adopted in addition the following resolution:

> Also, 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 or social legislation an effort should be made to overcome any question of jurisdiction between the dominion and the provinces by effective cooperation between the several governments.

Hon. members will see that in the resolution regarding social insurance the National Liberal convention was careful to point out the need of recognition of conditions as they might exist in the country for some time to come. It recognized as well the federal character of the dominion, also the difficulties that might be encountered in seeking to give full expression to the program of social insurance which it was hoped might come into being in the course of a few years.

The first of the conditions to which attention was directed was the financial condition of the country. May I say that I regard that as an all-important consideration in dealing with these questions of social insurance. Social insurance, in the nature of things, involves a large expenditure of public money, and while that should not be a reason for a government hesitating to bring forward measures of social insurance, it is a reason why in bringing them forward it should be in a position to state exactly how the revenues are to be raised which it will be necessary to have in order to put any proposed scheme into force, and also the extent of the outlay which the scheme will probably occasion in relation to the expenditures of the country generally. That was for us a very important consideration when in 1921 the Liberal government came into office; It is a very important consideration to-day. In order that I may not be misunderstood, may I make clear that if we are to economize, as I think we shall probably be compelled to do all around, the last place at which I think economy should begin is with respect to social services. I think great care should be taken to see that those persons in the country who are less fortunate than their fellow men are the ones to receive the first concern of the government.

I shall now speak of the conditions as they were in Canada when the Liberal administration came into office, having before it this resolution with respect to social insurance, and having a strong desire to give expression to that resolution in its fullest terms. I do it for this further reason, that I think the situation to-day in many particulars is more or less parallel with that which existed at that time. When the Liberal government came into office in 1921 the country was going through a time of great depression. Deficits were being added to deficits in the public accounts; taxation had to be increased almost to the limit to which it could be borne by the people. The government of the day was obliged to take account not only of the continuous increase in debt and in taxation, but also of the new obligations that had suddenly come upon this country to an extent the like of which it had never known before. It was the post war period, when for the first time Canada's debt had been so very greatly increased, when the interest on the public debt alone had reached an amount equal to that which at one time would have met the entire yearly expenditures of government. There were pensions to be paid to soldiers who had served overseas, an entirely new obligation amounting, and certain further to amount, to increasingly large sums as the years passed. There were expenses in connection with the reestablishment of returned men in civil life. Added to that were large outlays necessitated immediately for purposes of relief, because then as now hundreds of thousands of people were unemployed, and the dominion was called upon to assist the provinces and the municipalities in providing unemployment relief. Hon. gentlemen opposite will recall that when the government of the Right Hon. Mr. Meighen was in office it inaugurated the system of the dominion supplementing the expenditures of the provinces and municipalities in the matter of relief, as the best scheme to meet that immediate situation. When we came into office we carried on as a temporary measure the system that had been inaugurated by hon. gentlemen opposite. We believed, however, that the only effective cure for unemployment would be found in policies which would serve to revive industry and trade. We felt that once some of the many trade restrictions which then existed were removed, and other policies put into force, we should find that trade and business would revive and that unemployment relief would no longer be necessary.

The situation worked out exactly as we had expected. But for the first four years the government of the day was obliged to supplement from the federal treasury the funds of the provinces and the municipalities for relief purposes. It will hardly be contended that during those first four years, 1921 to 1925, any government dealing with the problems with which the then Liberal government was called upon to deal would have received any real support from parliament in an endeavour to put through at that particular time new measures of social legislation. But may I point this out, that there had come as a first obligation and for the first time, in the pensions that were to be paid to returned soldiers, what was in the nature of social legislation. Pensions, whether paid to soldiers or to civilians, fall within the class of legislation to be described as social legislation; it is making provision for those who have incurred sacrifices or who for certain reasons are unable to make provision for themselves, or who cannot be expected to make adequate provision. So that when the Liberal government came into office it was immediately carrying out, to the extent of the payment of pensions at least, the beginning of a scheme of social insurance.

That there may be no mistake as to what the outlays were that the government of the day had to consider, I should like to put

the figures on record. But before doing so may I remind the house of what took place yesterday as recorded in the votes and proceedings. A motion was introduced by the hon. member for Peace River (Mr. Kennedy) to the effect that:

In the opinion of this house, the Peace River country should be connected by a direct railway outlet to the Pacific coast.

That resolution was amended by the hon. Minister of Railways and Canals (Mr. Manion) to read as follows:

That the following words be aded to the said proposed motion: "when circumstances permit."

And the house accepted that amendment. Now in so doing the government and the house were simply facing realities. My hon. friend wanted, as we all want, to see the Peace River country connected with the Pacific coast. But to suggest that that should be done at this session evidently was in the opinion of the government going too far. It was received as one of many things that will have to wait until circumstances permit.

Now I want to state the circumstances which did not permit an immediate introduction of some measures of social reform which the Liberal government of that day would have liked to put into force at once if it had been in the position so to do. The entire cost of the war, as hon. members know, was borne by the federal government. It amounted to something like $1,460,000,000, all of which was a federal obligation; none of it an obligation shared by the provinces. It was a new obligation, unforeseen prior to the time of the war. The annual interest charge on the interest-bearing national debt through the war was increased from $14,687,797 in 1914 to $136,007,667 in 1923. The expenditures incurred during the fiscal years 1920-21-22-23-24 on soldiers' civil reestablishment alone totalled over $111,000,000. Up to the end of the fiscal year 1923-24, $94,733,548 had been disbursed by the soldier settlement board on behalf of soldier settlers. The total liabilities for pensions increased from $7,273,728 in 1918 to $30,421,766 in 1923. The total expenditure for pensions on account of the war to the end of the fiscal year 1923-24 amounted to $151,751,591.

It will be observed that I have given the figures up to 1924 only. Many of the corresponding figures would be much higher in the years following that period because, for example, the amount paid in pensions rapidly increased as time went on. I have taken that year, however, because that was the year in which the immediate objective of the Liberal party when it came into office was reached, that is, the balancing of our budget. We felt very strongly that before we launched on new schemes of social insurance the country would expect that we should balance our budget, and that by doing so we would be in a position gradually to reduce taxation, to reduce the public debt and be thereby free to incur new obligations such as might be involved in a general social insurance scheme. I remember very well how the late Right Hon. Mr. Fielding, then Minister of Finance, stressed over and over again in this house that unless we balanced our budget the country's credit would be gone, and if the country's credit was gone everything would be gone with it. I need not remind the house that when we came into office, the public debt had been increased in 1920-21 by $92,000,000. In 1921-22, there was an addition of $82,000,000 to the public debt. In 1922-23 the addition was brought down to $32,000,000. It was not until 1924 that the budget was balanced. I do submit that, as regards those four years, in taking on the great obligations that accrued immediately after the war the government was assuming all that could be expected of it at that time.

But may I again point out, Mr. Speaker, wherein we recognized a special obligation in the matter of social legislation. While it was accepted by the previous government and by our own administration that the provinces and municipalities should become primarily responsible for relief, the Liberal federal government took upon itself the obligation of the entire provision for unemployed returned men, as well as other expenditures incidental to their well-being. Just to show what these additional expenditures in regard to the returned men amounted to let me give a few figures. War pensions for the fiscal years 1921-22 to 1929-30, the period during which the Liberal administration was in office, totalled $234,000,000. This helps to account for the fact that we had to move a step at a time. Unemployment relief to war pensioners during the same period amounted to $3,900,000, and as I have said the Department of Pensions and National Health took over the obligation of providing for the relief of unemployed war pensioners, giving them direct relief, clothing, fuel, and shelter. That, Mr. Speaker, in adidtion to the other obligations with which we were faced, is why up to 1924 we had not found it possible to bring in any specific measure of social insurance, other than measures of the class I have indicated.

There was a second condition, it will be observed, to which attention was drawn by the National Liberal convention, with regard to

all matters of social insurance. The convention resolution pointed out that, having regard to Canada as a federated country these matters would have to be considered in conjunction with the provinces. I think that view was at the time accepted by everyone. Certainly we accepted it, and we still believe it is the only right and proper method of proceeding. Beyond all question the provinces have jurisdiction with regard to these matters, and it is essential, in connection with any legislation that is to be made workable, that the provinces should be brought into relation with the dominion so that whatever is done should be done if possible as a matter of agreement, or in other words in a way which will not make for division in this country. After all what advantage is it going to be to those who are to receive the intended benefits if, as a result of legislation which is enacted either by the provinces or by the dominion, there is created some major issue of conflict and confusion between the two, with as a consequence the business of the country brought into an even more chaotic condition than is the case at the present time? I want to stress very strongly the importance of avoiding confusion in anything in these days. Business is sufficiently uncertain and disturbed at the present time, and if, before this session of parliament is over, the country begins to wonder even more than at present just what its new obligations are, how they are to be met, and what authority is really governing, we may have a condition affecting business which will precipitate a very serious situation in Canada. That is something that has to be considered, and a possibility of the kind was foreseen at the time the Liberal convention met in 1919. Then, as now, there was a period of depression in which these contingencies naturally suggested themselves to the minds of those giving thought to these subjects.

It was however clearly stated by the Liberal convention in the resolution I have read that while the question of jurisdiction might enter into a matter of this kind, it should not be permitted to stand in the way of a satisfactory solution. I want to make that very clear, and I should like therefore to read the words appearing in the resolution passed by the convention:

> 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 cooperation between the several governments.

That is exactly how the Liberal administration proceeded. As I shall show a little later, when we did introduce our first large measure of social legislation it was brought about and brought in as the result of conference between the provinces and ourselves, in a manner which left no doubt as to what each was prepared to do, and raised no question as to either having invaded the jurisdiction of the other.

May I mention a further circumstance which I should have mentioned previously; that is, the total amount which during those years we were obliged to give the provinces in the matter of relief. The figures are not comparable to the amounts being paid out to-day, but it is worthy of note that in the fiscal years 1922-23 to 1929-30 over $1,000,000 was paid by the federal treasury to provinces and municipalities in aid of relief. All circumstances taken together I think made it perfectly clear why, with its other obligations, the government of the day in the four years of which I am now speaking could not have gone further than it did go in connection with these matters of social legislation.

May I also point out, Mr. Speaker, that there were major problems of importance then, as there are to-day, and that on their solution depended not only what this dominion could do but what many of the provinces could do. On their solution depended the extent to which it might be possible for the government of the day to lift the country out of depression into a period of prosperity and, thereby, make possible and effective not only social legislation in the federal arena but also more in the way of social legislation in all the provinces. And the provinces, regarding this matter of social legislation as one coming within their jurisdiction did at that time extend the scope of their laws with respect to old age pensions, the allowances payable to mothers, widows' pensions, accident and invalidity, and other matters of social legislation. Unless the whole position of our country had been improved by our trade and commerce being revived, the provinces, without the aid of the dominion, would not have been able to begin to do what they did in matters of social legislation.

Looking at the question of social legislation it is necessary to take a bird's eye view of the whole. Considering what was done by the provinces as well as by the dominion by way of social legislation between 1921 and 1930 one must realize that what the provinces could do depended more than anything else upon the dominion's policies with respect to trade and those other policies which had to do with the revival of industry

and business. To restore prosperity was the great objective which the Liberal government had before it.

Then there was the question of railways To-day we have a most embarrassing railway situation. We are told by hon. gentlemen opposite that the railway problem is a very great one, but may I tell them that it does not begin to compare with the railway situation with which the Liberal government was confronted in 1921. However, we succeeded in organizing the national railways and bringing them to a point where they became the envy of the world as a publicly owned enterprise. What was done by way of restoration of confidence in the national railways system and in promoting the progress of those railways had a great effect upon the general business conditions of the country and the attitude of mind of persons in provincial and federal parliaments who had to deal with social questions.

Then there were important matters affecting the relationship between the dominion and the provinces, matters which for a long time had been outstanding. For instance in the west there was the question of the return to the prairie provinces of their natural resources, and in the maritime provinces claims respecting maritime rights. From one end of Canada to the other there were differences between the dominion and the provinces which had come as legacies from the past and which had been the causes of friction and disunion. To clear up those difficulties was one of the main objectives of the government of that day, in the belief that only as this country was united, and as there was good feeling between the provinces and the dominion, could there be hope of that degree of cooperation between the provinces and the dominion so essential to federal enactments with respect to social legislation. These are only some of the matters which were dealt with satisfactorily, but which have to be considered when we are asked to reply to the question: Why did you not do more in a particular line?

I believe I have shown conclusively that at least up to and including 1924 no government would have been justified in attempting to launch any extensive scheme of social insurance or in fact any social legislation involving any large amount by way of expenditures.

In bringing forward another reason I wish to repeat the phrase used yesterday by the Minister of Railways (Mr. Manion) in his amendment to a resolution before the house, namely, the phrase "when circumstances permit." It is one thing to be in a position to bring in extensive schemes on any subject when as prime minister one has behind him a majority of thirty or forty members who at a nod will do as he wishes; it is an entirely different thing to attempt the passage of such measures when a prime minister has for himself and party a majority of only one, or no majority at all. I hope hon. members will bear in mind the fact that from 1921 until 1925 the Liberal government had a majority over all parties in the house of only one, and that from 1925 until 1926 it was in fact in a minority. Those are not circumstances which lend themselves to the launching of great measures, and which afford the degree of opportunity the present administration has, due to its large majority.

May I point out the further fact that to become law legislation has to pass both houses of parliament, and the Liberal administration of which I was the head had to consider with respect to all legislation the reception which would be given it in the other chamber. In a moment I shall show how actual legislation was received when placed before that chamber in the years 1925 and 1926. If in the earlier years we had attempted anything more than we did I do not know what would have happened. I purpose to show that when we did bring in a measure which we considered of greatest importance, a measure of social legislation having to do with old age pensions it was vigorously opposed by the Conservative party in this chamber, and was eventually thrown out by a Conservative Senate. It was not until the legislation was reintroduced and passed, after an appeal to the people which made a definite pronouncement with respect thereto, that it was possible to obtain concurrence of the upper chamber.

A day or two ago I came across a comment made by Mr. Asquith, the late Lord Oxford, upon a criticism of Mr. Gladstone's government of 1892. The criticism was very similar to the one the Prime Minister has directed against the late Liberal government, namely that it did not do as much as it should have done. Mr. Asquith observed:

> Our legislative opportunities were severely circumscribed by the smallness of the government majority and the vigilant and uncompromising hostility of the House of Lords. Within these limits we gave abundant proof of a high order of administrative talent.

I believe I may claim the same for the Liberal administrations between 1921 and 1930. Especially was it true between 1921 and 1927.

Let me now proceed from 1924 to subsequent years. I quote from the statement made by the Prime Minister only a few days ago to a delegation of the trades and labour congress which waited upon him:

If between 1924 and 1928, years when Canada was prosperous, some scheme of unemployment insurance had been initiated, the depression would have found this country with the best accumulation of money with which to face it.

Some hon. MEMBERS: Hear, hear.

Mr. MACKENZIE KING: Hon. gentlemen opposite say "hear, hear."

Mr. LAPOINTE: Wait a minute.

Mr. MACKENZIE KING: I think the trades and labour congress as well as any other body would be more ready to thank a government which is able to give prosperity in great measure than a government which is only able to offer legislation the possibility of the enforcement of which remains to be seen. Hon. gentlemen opposite seem to have forgotten that the most important social legislation so far enacted in Canada was enacted in those very years. I should like to know whether any government before completing one scheme of social legislation would have been justified in attempting to go on with a second. I know my right hon. friend is trying to do everything at once, but he is in a class by himself in that regard. In a few months we shall have a general election. It may be that by taking on a greater load than can be carried everything may yet come to grief. It might be just as wise for him to proceed one step at a time, and above all to make sure that every undertaking is capable of being carried out.

Going over in one's mind the whole scheme of social insurance may I ask where in the order of things is the natural and proper place to begin? As I said a few moments ago social legislation is a type of legislation intended to assist those who, were it not for the legislation passed, might find it difficult or be unable to get along. Of all classes in society which then is the class we ought first to consider? The Liberal administration gave the preference, as I believe any administration in Canada would have done, to the men who have served their country overseas, and to the dependents of those who lost their lives or were incapacitated in the great war. That obligation was accepted by the country and always will be I hope as the first of all the obligations of a social nature. Next to that all important portion of our population there come those who because of advancing years find themselves either unable to earn sufficient to satisfy their essential needs, or who are thrown out of employment, not through any fault of their own, but simply because of that which we have been discussing so much of late, namely the high rate of pressure at which industry is carried on, the new inventions, the machinery used and the like. Men and women who have given their lives to acquiring skill in a particular industry may find themselves, just because of their advancing years, the first to be thrown out when a period of unemployment comes. The employer, through no lack of sympathy but simply because he has to reduce his staff begins to reduce, and those he lets go first are not the younger persons, not the more active and alert, but those whose years are advancing. They are thrown out of employment first. Knowing that to be so, we felt that those of advanced years were the first to be looked after in any scheme of social insurance. The Liberal administration of the day accordingly brought in an old age pension scheme. In connection with that scheme we had carefully to consider, as I have pointed out, the three factors I have mentioned this afternoon—first, the financial condition of the country and where the money was to come from. That we had settled by 1924 by getting our budget balanced, and for six successive years thereafter having surpluses instead of deficits. The second question was how could the scheme be brought into effect with the cooperation and good will of the provinces among themselves and towards the dominion. It was that consideration which necessitated in the first place the careful consideration of each and every scheme in deciding which should be the one attempted. There was the third all-important consideration, the question of jurisdiction, which had to be solved. We felt that there should be no doubt left in the mind of anyone as to jurisdiction, and that if there were problems related to jurisdiction we should find a way to meet those problems.

How did we proceed with respect to the old age pension legislation? In 1924 in the month of April, I moved that a special committee be appointed to make inquiries into an old age pension system for Canada. This was for a national system of old age pensions. The committee was appointed. The members went into the question carefully, and they agreed with the view, that it was essential to get the views of the provinces before reporting to the house, and so between 1924 and 1925 the various provinces were communicated with. In 1925 on May 1 a special committee was again appointed, and on June 16, 1925, the special committee recommended in favour of setting up a scheme; also that an effort should

be made to receive cooperative action on the part of the provinces. Up to that time some of the provinces had expressed themselves as favourable to a scheme of old age pensions. Others had said that they were not in a position to consider an old age pension scheme, and gave as a reason that the financial conditions with which they were confronted would not permit them to take on further obligations. In 1926, after much debate and criticism from the then opposition, this house adopted the bill for old age pensions. The bill went from this house to the Senate, and in the Senate, as I mentioned a moment ago, it was defeated by a majority of 45 to 21. If the records are looked up it will not be difficult to see the party complexion of that majority.

The measure of social legislation that was introduced here and passed by this House of Commons having been thrown out by the second chamber, does any hon. member say that up to 1926 when that occurred a measure of unemployment insurance could have gone through this House of Commons with any hope of passing the Senate and becoming law?

That is a complete answer in itself if there were not further reasons which make it clear that such a measure could not have been proceeded with sooner. But in the general election of 1926 the question of the rejection by the Senate of the old age pensions bill was discussed throughout the country, and a Liberal government being returned with a substantial following it was possible with the hope of greater success to reintroduce the bill in 1927. The bill was reintroduced in identical terms by the then Minister of Labour, the Hon. Peter Heenan, and after considerable discussion passed both this house and the Senate and received the royal assent on March 31, 1927. There is the record up to March 31, 1927. I think I can say that up to 1927, having in addition to what I have mentioned, put on the statutes this national scheme of old age pensions, the government of the day had done all that could possibly have been expected of any federal government with respect to social legislation.

But did we allow matters to rest there? Did we at that time say: This is the end of our social legislation? On the contrary we immediately proceeded to the next form of social insurance we deemed of most importance, namely, a national system of unemployment insurance. We had before us certain opinions as to jurisdiction which had been given by the law officers of the crown while the old age pension measure was under discussion, which opinions applied also to the question of unemployment insurance and had therefore to be taken into consideration. So it was deemed necessary to have the question of unemployment insurance dealt with in the first instance by a committee of this house.

Here may I say that a further evidence of the desire of the Liberal government of the day to further these matters of social legislation was the creation of a special committee of this House of Commons to deal with industrial and international relations. It was on the suggestion I think of the hon. member for Winnipeg North Centre (Mr. Woodsworth) that the proposal was first made to have a committee of this house to deal with industrial questions. I pointed out to the hon. member that I thought most of these industrial questions involved international considerations as well, and also that I believed that international questions were becoming more and more interwoven with social problems, and therefore that as a beginning it might be well if we appointed one committee to deal with both international and industrial relations. That committee was established and is a standing committee of this house, thereby giving further recognition by the House of Commons to the importance of social legislation. Resolutions or measures respecting social legislation of the character to which I have been referring naturally went to that committee for consideration in the first instance.

I need not detain the house at the moment by re-quoting the opinion of the Department of Justice of May 23, 1925, with respect to the question of jurisdiction on the matter of old age pensions and similar matters of social legislation. That particular opinion has already been placed on Hansard, and I would simply refer hon. members to the report of the special committee on old age pensions appearing in the votes and proceedings of June 16, 1925, where they will find the opinion of the Department of Justice as given on May 23 with respect to the question of jurisdiction. There it was made very clear that so far as property and civil rights were concerned, they and questions related thereto came within the exclusive jurisdiction of the provinces.

I should like to quote to the house a paragraph from some remarks of my own dealing with old age pensions, in order to make clear that the government of the day regarded the old age pension measure as only a part of its general scheme of social insurance. In Hansard of March 26, 1926, at page 1977, hon. members will see that I am reported as follows:

Mr. Mackenzie King: In this country, I should like to see—

This is interesting, too, as suggesting perhaps where some of the ideas that are incorporated in to-day's legislation may have come from, but I do not even wish to claim that. I will continue with the quotation:

In this country, I should like to see the annuities plan which, as my hon. friend has said, was inaugurated by Sir Richard Cartwright, developed into a comprehensive scheme of social insurance.

But I do not believe that this can be accomplished solely by the federal government; it would have to receive the cooperation of the provinces. 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. The old age pension phase of the question is one that has an immediate bearing in respect of people of advanced years. Surely, then, we shall not be running any great risk so far as future generations are concerned if we put upon the statutes this year legislation which will hold out an inducement to the provinces to come together in conference for the purpose of discussing social legislation generally.

Further on, at page 1978:

. . . so far as the purpose of the immediate legislation is concerned, it looks to providing a pension for men and women of the generation that is passing away, or will have passed away in the course of a very few years. That is primarily what we are considering at this moment, and in considering men and women of that category we will, I think, be taking the first necessary step to bring about that larger measure of contributory social insurance which is one of the great needs of our time.

May I point out, with regard to this particular measure of social insurance, that not only did we place an enactment on the statutes but we carried out its provisions. Not only did we make a promise to the electorate, but we fulfilled that promise. In 1927-28 the amount paid out of the federal treasury in grants to the provinces on old age pension account was $131,452; in 1928-29 it was $832,687; and in 1929-30 it was $2,806,852, or a total in those three years of $3,770,991. But I would direct the attention of the house to this further fact that while we were paying old age pensions we were at the same time reducing taxation and reducing the debt, with the result that when hon. gentlemen opposite came into office they found the public debt reduced by $244,000,000 compared with what it was at the time the Liberal administration went into office. That is the legacy we left them—not some additional burden but a lighter load of public debt, for which otherwise they would have had to make provision. In other words, we paved the way for them to meet some of the other obligations. More than that, it is a fortunate thing for my hon. friends that we reduced taxation so materially, for since they have come into office they have found it possible to increase taxes, instead of having to carry in addition to their increases the very heavy load that had existed before. The income tax had been reduced, both as to the rate and as to the number of exemptions for people with moderate incomes. The sales tax had been reduced from six per cent to one per cent; there had been the restoration of the penny postage; the cheque stamp had been reduced to 2 cents on cheques over $10; the receipt tax had been abolished; railway, telegram, and insurance premium taxes had been abolished; substantial reductions had been made in the tariff on implements of production and on articles of domestic consumption. Altogether the reductions in taxation from 1926 to 1930 represented a remission of $116,000,000, which otherwise would have been paid in 1930, had the former rates been maintained. By reduction of taxation and reduction of the debt and our series of annual surpluses we helped to pave the way for any subsequent government, either ourselves or our successors, to go on with measures of social insurance. But the Prime Minister when he took office did not proceed with any measure of social insurance in 1930, nor did he in 1931, nor 1932, nor 1933, nor 1934. We have had to wait until 1935, with an election only a couple of months away, in order to see social legislation such as it is introduced.

I repeat, we carried out our promises. How did the Prime Minister carry out his—in regard to old age pensions for example? Speaking at Chatham, New Brunswick, on July 11, 1930, he said:

"I say to you, if the Conservative party is returned to power we will provide for the payment of old age pensions from the federal exchequer, so that the provinces will not be called upon to contribute a cent and so that the provinces who now find the burden too great will be able to benefit equally with all the provinces of the dominion."

The constitutional point had been raised by the premier. "If," he said, "it is constitutional to pay fifty per cent, would it not be constitutional to pay one hundred per cent? We will pass the law to pay one hundred per cent and it will be legal."

Has that been done? Has any one hundred per cent law been passed? Has the government attempted in any way to make the contribution of the federal government towards old age pensions one hundred per cent? I say to the Prime Minister that before he begins to make additional promises to the electorate

in regard to these matters of social legislation he had better begin to fulfil the smallest part of the promises he has already made. Let me point out a pertinent consideration. There are being raised at the present time by the provinces questions which when it comes to carrying out these measures will have to be carefully considered, questions namely of the particular sources of income which the provinces are to have and which the dominion is to have. We have already seen that the question of the income tax is to come up, as well as the gold tax. It is very important that these matters which affect the revenues ought at least to be satisfactorily settled before too much in the way of commitment is made in connection with further obligations. However, that is only one of many considerations, and I am not stressing it.

In what I have said I have dealt with the situation as it was up to 1927 when the Old Age Pensions Act was put on the statutes. Let me now speak of the three remaining years, the period during which the Prime Minister says there ought to have been placed on the statutes an unemployment insurance scheme. During those years, we are told, we should have inaugurated such a scheme. Just here may I say that when I come to the time during which the Prime Minister himself was in office I will quote what he said as to the impossibility of having an unemployment insurance scheme on the statute books—not as far back as 1930, but as recently as 1931, as recently as 1932, as recently as 1933 and as recently as 1934. If it was impossible, for reasons of jurisdiction, cited by the Prime Minister himself, and upon which he said every member of the House of Commons was agreed, to have an unemployment insurance scheme on the books during the years from 1930 to the beginning of 1935, how could it have been possible to have had such a measure on the statutes in the years immediately preceding? That is a complete answer to my right hon. friend when he says that we should have had this measure on the statute books. He himself at every possible turn blocked every attempt to enact an unemployment insurance measure.

As I have said, as soon as the old age pension measure was enacted we immediately took up the question of unemployment insurance; and we immediately had a conference with the provinces. I have in my hand a précis of the discussions of the dominion-provincial conference, which lasted from November 3 to November 10, 1927. That report was submitted to the house after the conference was over, and in that particular proceeding of the Liberal administration we are different from hon. gentlemen opposite; we did not have a conference and decline to give to parliament a report of what had taken place. Instead, we tabled a report as soon as parliament assembled in order that hon. members might see what matters had been up for discussion and the attitude that had been taken by all concerned. Anyone who looks at the report will see what embarrassments there were at that particular time as between the provinces and the dominion in reaching an agreement with respect to an unemployment insurance scheme. As I have said, when the resolution with respect to unemployment insurance was introduced, it was immediately referred to a standing committee of the house. It was the hon. member for North Winnipeg (Mr. Heaps) who introduced the resolution in this house on March 21, 1928. It was as follows:

> That, in the opinion of this house, the committee on industrial and international relations be authorized to investigate and report on insurance against unemployment, sickness and invalidity.

How did the government of the day receive his motion? We accepted it. That resolution, coming from a Labour member, we accepted immediately and we carried out to the letter the request that it contained, authorizing the committee on industrial and international relations to investigate and report to parliament on insurance against unemployment, sickness and invalidity. That was at the very first session after the enactment of the Old Age Pensions Act. I think it is important to quote a little from the report of that committee of which the hon. member for North Battleford (Mr. McIntosh) was the chairman.

Mr. MANION: What is the date of the report?

Mr. MACKENZIE KING: May 16, 1928. This is the final report of the select standing committee on industrial and international relations. The resolution was moved earlier in the year, but the final report was made, as I have said, on May 16, 1928. At the risk of delaying the house just a little, I will read from the report what I think is pertinent.

> Your committee proceeded, as directed, to investigate the subject of insurance against unemployment, sickness and invalidity. The Assistant Deputy Minister of Labour, who was the first witness, presented memoranda of information dealing with the systems of insurance against unemployment, sickness and invalidity which exist in various countries, also a memorandum of information relative to systems of voluntary sickness insurance and benefits which have been developed in this

country. The Director of the Employment Service of Canada furnished the committee with an outline of the operations of the free employment offices which have been established by the provincial governments in sixty-four centres throughout the dominion, and which are assisted by a federal grant. Witnesses appeared before the committee on behalf of organized labour, public welfare associations, and the Canadian Manufacturers' Association, and expressed the views of their respective organizations on the subject matter of reference.

The Deputy Minister of Justice gave evidence on the question of the respective jurisdiction of the dominion and provincial governments regarding unemployment, sickness and invalidity.

While the time at the disposal of your committee has been too short to make as comprehensive a report as the importance of this matter demands, your committee submits the following recommendations.

These recommendations were adopted unanimously by the house and therefore I consider they are especially significant:

1. That the necessity of 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.

4. On the very important subject of the cost of unemployment insurance, your committee has experienced great difficulty in arriving at any definite conclusion owing to the lack of data as to the amount of unemployment, either constant or occasional in character. There appears to be no definite method of ascertaining the unemployment at any given point for any length of time. We, therefore, recommend that the government immediately devise some means whereby the amount of unemployment, over a period of years, could reasonably be calculated.

5. That as unemployment insurance has been in operation for a number of years in Great Britain, and has recently been thoroughly investigated by a strong committee, and the system reorganized on the basis of their report, your committee would suggest to the government the advisability of obtaining, from Great Britain, expert advice on the subject, which would be of service in the formulation of a plan or plans suitable to conditions in Canada, and in arriving at the approximate cost.

6. In order that this matter might be further dealt with, your committee recommends to parliament that at the next session this question be again referred to the committee on industrial and international relations.

As I have said, that report was adopted unanimously. Hon. members who have listened to the Prime Minister this afternoon will observe that in what he is bringing down to-day he has profited, and I think very wisely so, by the recommendations of that very committee, in that he has, so he tells us, been careful to get information with regard to the schemes in Great Britain and other countries and that he has sought to get data as to the numbers of unemployed and the numbers that would be affected. Therefore, in the very period in which the Prime Minister says that we were doing nothing, a committee comprising members of all parties in this house was engaged on this very subject and going just as far as it was found possible to go at that time.

Next year, as was recommended, the committee met again; the government of the day reappointed the committee and its findings are contained in a report under date of April 30, 1929, made again by the hon. member for North Battleford who was the chairman. This report brings the situation with respect to unemployment insurance up to April 30, 1929. What is said in this report?

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.

That answers the whole question as to where this party stands in the matter of principle on the measure at present before the house. The report was adopted unanimously. The principle of unemployment insurance was accepted by a Liberal administration in 1929 on a report brought in by a committee that had been appointed by the house at that time.

2. Your committee recognizes that—

This is important to follow. Having endorsed the principle, the committee having given the matter careful study and consideration then undertook to lay down the procedure to be followed. Here again may I point out that this recommendation concerning procedure was approved by all parties in the house. There was no exception taken by any member of the Conservative party or any

member of the Progressive party or any member of the Labour party; they all agreed that this was the proper method of procedure.

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.

And the present Prime Minister may I add was a party to the acceptance of the report.

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 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 cooperation of the provincial and municipal health departments, as well 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.

All of which was respectfully submitted and the report carried unanimously. That brings the matter of unemployment insurance up to 1929. In order to make it clear that the government of the day did not leave the matter there, but proceeded further, I have in my hand some correspondence in reply to communications sent out by the Department of Labour to the different provinces on this matter in accordance with the recommendation of the committee. I shall read only one communication, and if the house will permit I shall place on Hansard the memorandum attached to it. The letter that I wish to read is one from the office of the premier of Saskatchewan, dated May 21, 1930, a time when that office was filled by a Conservative premier. I take this communication because it comes as near to the time at which the Liberal administration left office as any of the correspondence, showing that up to the last minute we were seeking to get the cooperation of the provinces with respect to an unemployment insurance measure. I give it to the house also for another reason; an effort has been made in a very subtle way to make it appear that objection to this parliament proceeding in this matter has been coming from certain provincial administrations that happen to be Liberal. May I point out, as I did the other day, that no one was more emphatic in respect to no interference with provincial rights than the Hon. Howard Ferguson, who is to-day the high commissioner in London for the present administration. When the present government itself was dealing with the question of the statute of Westminster, even while the matter was in Tory hands, Hon. Howard Ferguson as Conservative premier of Ontario insisted that certain safeguards should be put into that measure in order that provincial rights in Ontario might not be invaded.

Here is the communication of Mr. J. T. M. Anderson, the Conservative premier of Saskatchewan of that day:

Premier's Office
Saskatchewan
Regina, May 21, 1930.

The Honourable Mr. Peter Heenan,
Minister of Labour,
Ottawa, Canada.

Dear Sir,—With further reference to your letter of March 10th with respect to insurance against unemployment, sickness and invalidity, I wish to say that I have received an opinion from our Attorney General's Department which indicates that this matter falls within the competency of the provincial legislature. It would appear, then, that while any general scheme of compulsory insurance along the lines mentioned appears to be entirely a matter for provincial legislation there would seem to be no valid reason why the dominion might not cooperate by way of legislation for a grant of a sum of money in furtherance thereof.

I would be very glad to know the attitude of your government in this connection.

For your information I am sending you a copy of the memorandum sent me by our Attorney General.

Yours faithfully,
(Sgd.) J. T. M. Anderson.

Then if the house will permit I shall place the accompanying memorandum on Hansard. It is a memorandum of the Hon. M. A. MacPherson:

Memorandum for the Honourable
M. A. MacPherson, K.C.

Re: Legislative jurisdiction regarding a compulsory scheme of insurance against unemployment, sickness and invalidity.

I have the honour to refer to the above constitutional question as outlined in the recent correspondence between the Honourable J. T. M. Anderson, Premier of Saskatchewan, and the Honourable Peter Heenan, Minister of Labour

in the dominon cabinet, from which it appears that you have been requested to prepare a legal opinion as to whether legislation to this end falls within the competency of a provincial legislature.

In dealing with the subject I think it right to premise, in the absence of any bill or proposed statute containing a definite scheme, that the opinion now given is with respect to legislation following the lines as set out on page 1 (IV) of the final report of the select standing committee of the House of Commons of Canada on industrial and international relations published in 1928, namely, that embodying the principle of insurance based on compulsory contributions derived from the state, the employer and the employee.

In accordance with the dicta of the judicial committee of the privy council as expounded on various occasions, the first question to be determined is whether such provincial legislation would fall within any of the classes of subjects enumerated in section 92 of the B.N.A. Act assigned exclusively to the legislatures of the provinces; for, if not, it can be of no validity and no other question would arise. It is only when an act of the provincial legislature prima facie falls within one of these classes of subjects that the further questions arise, namely, whether, notwithstanding this is so, the subject of the act does not also fall within one of the enumerated classes of section 91 and whether the power of the provincial legislature is not thereby overborne. See Citizens v. Parsons, 7 A.C. 109.

Having proceeded in accordance with the above dicta to examine sections 91 and 92 of The Confederation Act, I find that the subject of compulsory insurance along the lines indicated would, in my opinion, fall directly within clause 13 of section 92, namely, "property and civil rights in the province," one of the classes of subjects with respect to which exclusive jurisdiction has been relegated to provincial legislatures. Turning next to section 91, I have been unable to find that it comes under any of the enumerated classes of that section. Further, it is now well settled that the general authority to make laws for the peace, order and good government of Canada, which the initial part of section 91 of The British North America Act confers, does not, unless the subject matter of legislation falls within some of the enumerated heads which follow enable the dominion parliament to trench on the subject matters entrusted to the provincial legislatures by the enumeration in section 92 of the act. Attorney-General for Canada v. Attorney-General for Alberta and Attorney-General for British Columbia, 26 D.L.R. 288.

In Citizens v. Parsons (supra) an Ontario act was under review, namely, 39 Vict. Ch. 24. It dealt with policies of insurance entered into or in force in Ontario for insuring property situate therein against fire and prescribing certain conditions which were to form part of such contract. The judicial committee declared it to be valid legislation applicable to the contracts of all such insurers in Ontario, including corporations and companies, whatever might be their origin whether incorporated by British authority or by foreign or colonial authority. At page 111 their lordships, referring to 14 Geo. III, c. 83, a statute making provision for the government of Quebec, say:

"In this statute the words 'property' and 'civil rights' are plainly used in their largest sense, and there is no reason for holding that in the statute under discussion they are used in a different and narrower one.

The next question for consideration is whether, assuming the Ontario act to relate to the subject of property and civil rights, its enactment and provisions come within any of the classes of subjects enumerated in Section 91, the only one which the appellants suggest as expressly including the subject of the Ontario act is No. 2 'the regulation of trade and commerce.'"

It was held, however, that the words "regulation of trade and commerce" include political arrangements in regard to trade requiring the sanction of parliament, regulation of trade in matters of inter-provincial concern, and it may be, general regulation of trade affecting the whole dominion; but do not include the regulation of the contracts of a particular business or trade such as the business of fire insurance in a single province, and, therefore, do not conflict with the power of property and civil rights conferred by section 92, No. 13.

It appears to me to be clear that legislation setting up a scheme of compulsory insurance against employment, sickness and invalidity, requiring contributions from the state, the employer and employee would of necessity deal directly and primarily with the property and civil rights of individuals in the province affected, and while the constitutionality of legislation covering this particular species of insurance has not been directly determined by the courts, I see no reason to doubt that the principles adopted in Citizens v. Parsons would apply. I am accordingly of the opinion that the exclusive jurisdiction to enact compulsory insurance legislation of this nature rests with the provinces.

Again, in Attorney-General for Canada against Attorney-General for Alberta and Attorney-General for British Columbia (insurance case) (supra) their lordships of the privy council held in effect that it was within the exclusive competence of provincial legislatures to legislate regarding the business of insurance. At page 292, 26 D.L.R. (supra) their lordships, in answer to the argument that the dominion had jurisdiction under section 91 of the B.N.A. Act, "trade and commerce" say:

"No doubt the business of insurance is a very important one which has attained to great dimensions in Canada, but this is equally true of other highly important and extensive forms of business in Canada which are to-day freely transacted under provincial authority. Where the B.N.A. Act has taken such forms of business out of provincial jurisdiction, as in the case of banking, it has done so by express words which would have been unnecessary had the argument for the dominion government addressed to this board from the bar been well-founded."

Turning now to a consideration of the question of insurance as viewed from the aspect of its relation to unemployment and sickness, the first of which would appear to come within the scope of legislation regarding labour in industrial undertakings, and the latter of which would appear to fall within the category of public

health, the legislative jurisdiction in regard to these matters also in my opinion belongs primarily to the province.

In a reference by the Governor General of Canada to the Supreme court in the matter of legislative jurisdiction over hours of labour (1925), S.C.R. 505, the court held, inter alia:

"That the matter of labour in industrial undertakings in Canada is primarily within the competence of provincial legislatures, but parliament can legislate as to labour in territories not yet organized into, or forming part of, a province and as to labour of servants of the dominion if these are within the scope of the draft convention."

It appears to be only necessary to explain that the draft convention referred to was that adopted by the International Conference of the League of Nations in 1919 limiting the hours of labour in industrial undertakings.

Reference may also be made in this connection to In re the Board of Commerce Act and the Combines and Fair Prices Act, 1919 (1922) 1 W.W.R. page 20, in which case the privy council held the enactment of the above two acts to be ultra vires the dominion parliament. They were designed to prohibit undue combination and hoarding and the committee held their provisions to be an interference with the power to restrict the "civil rights" of the inhabitants of a province, a power exclusively relegated to provincial legislatures by the B.N.A. Act. See page 24 of the report (supra).

I would further refer to the judgment of the privy council in two cases which have particular application to the subject in hand, namely, "In re Reciprocal Insurance Legislation (1924) A.C. 328; (1914) 2 W.W.R. 397, and Toronto Electric Commissioners v. Snider et al (1925) 1 W.W.R. 785. In the case last referred to their lordships held the Industrial Disputes Investigation Act 1927 (Ch. 20, Dom.), ultra vires of the dominion parliament declaring it to be a law relating to matters as to which section 92 of the B.N.A. Act gives exclusive jurisdiction to the provinces. It was also held, approving the board's ruling in In re Reciprocal Insurance Legislation (supra), that the said act could not be justified as an exercise of the dominion's powers under section 91 of the B.N.A. Act with respect to criminal law, or with respect to the peace, order and good government of Canada. It was further held that the mere fact that legislation is for the general advantage of Canada or is such that it will meet a mere want felt throughout the dominion does not render it intra vires of the dominion parliament if it cannot be brought under the heads specifically enumerated in section 91 of the B.N.A. Act unless it is passed because of some extraordinary peril to the national life as a whole, such as a war or, perhaps, an epidemic of pestilence and that the evidence in the case at bar did not show such.

Again, the subject matter of public health appears to me clearly to fall within provincial legislative competence under the heading "property and civil rights" and might also be so claimed under item 16 of section 92 of the B.N.A. Act as being a matter of a local or private nature. There is also item 7 whereby exclusive legislative jurisdiction is conferred on the provinces respecting the establishment, maintenance and management of hospitals, etc., other than "marine hospitals" jurisdiction with respect to which has been specifically conferred upon the dominion by item 11 of section 91, namely, "quarantine and the establishment and maintenance of marine hospitals." I am unable to find any other express heading of section 91 which would support the contention that public health generally is a matter of exclusive dominion jurisdiction. With regard to the opening words of section 91 conferring upon the dominion jurisdiction to enact laws for the peace, order and good government of Canada, as has been shown, these words do not, unless the subject matters also fall within one of the enumerated heads of section 91, enable the parliament of Canada to trench on matters exclusively relegated to the provinces under section 92.

For the above reasons and on the above authorities, in my opinion the power to enact compulsory legislation with respect to insurance against unemployment, sickness and invalidity rests with the provinces.

I might add, however, that while any general scheme of compulsory insurance along the lines indicated appears to be entirely a matter for provincial legislation there would seem to be no valid reason why the dominion might not cooperate by way of legislation for the grant of a sum of money in furtherance thereof.

Alex. Blackwood,
Law Officer.

The point I wish to make clear is that this correspondence indicates an objection raised by a Conservative premier of one province saying that the dominion was invading its jurisdiction in seeking, as regards an unemployment insurance scheme, to do other than make a contribution to the province. Should we not have raised one of the greatest issues ever raised in this country if we had attempted to do what the Prime Minister to-day is attempting to do, if we had sought to defy those provincial governments with respect to their rights? We felt that whatever was to be done, to be effective, should be done in the right way and in accordance with the jurisdiction of parliament as it is known to exist.

I think I have made fairly clear why the government or any government between 1921 and 1930 could not have gone further than we did in the matter of social legislation, and in particular, with respect to any scheme of unemployment insurance. We had moved steadily ahead, we had carried all parties in this house with us every step of the way. There was as regards procedure no difference of opinion between Liberal, Conservative, Progressive or Labour; all were united in the steps we were taking. By advancing in that way we were taking a course that in the long run promised both certainty and security.

Now we come to the period when the present Prime Minister came into office. The first question I would again ask is: Why have we had to wait until 1935 to have some further step taken, some measure of social insurance

introduced? Well, the Prime Minister gave one reason, I do not think it is a very good one, in his second radio address on January 4:

> 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.

He has not done away with any emergency relief measures as yet. I agree with the Prime Minister that the question of unemployment insurance is an entirely different matter from the question of relief. Unemployment insurance as introduced to-day relates to the future, to a time considerably in the future; unemployment relief relates to the present, and it is the present about which the people are concerned. What the people are demanding from this government is that present conditions shall be remedied, knowing full well that unless they are remedied no legislation in the world with respect to unemployment insurance is likely ever to become of any service to anyone. But when the Prime Minister undertook to say that he was not able to deal with this matter until he got control of the economic situation, I think he was going a little too far. Has he got control of the situation yet? Has he got control of the econmic conditions of the country? Is everything prosperous and going ahead? I do not believe the public share any such view. There was nothing in the situation from 1930 to prevent his going ahead with a national unemployment insurance scheme except the reasons he himself gave and which I shall quote in a few moments.

May I point out what attitude we of the official opposition took? Did we say, We think that because this is a period of depression we should not touch any social legislation until we get out of this period? Or did we say: This is the time of all times to settle these questions as to procedure and jurisdiction so that when the moment does come that we have reached an understanding with the provinces which will permit of the introduction of a system of national unemployment insurance no time will be lost in getting it placed upon the statute books? 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? We took the ground always that along with any measure of the kind there would have to be policies which would serve to revive industry and trade, and that in the meantime as long as we had the problem of relief on our hands it would have to have immediate attention, the permanent as contrasted with the temporary measures going along parallel with them if you like. The point we stressed over and over again was that, while we were in a period of depression, we could at least settle the question of jurisdiction, we could at least bring the provinces into conference and work out something, and that that was the way in which the government should proceed. In 1931, 1932, 1933 and 1934, every one of these years, we urged that a national unemployment insurance scheme should be introduced. We had been working on such a scheme, as I have shown, before leaving office in 1930. I shall not quote to any extent from what was said, only enough to verify the statement I have just made. In the House of Commons on April 29, 1931, at page 1113 of Hansard I am reported as follows:

> As unemployment is incidental to industry as it is carried on to-day, I believe some system of insurance against unemployment is absolutely necessary and should be provided.

That was in 1931. Then on the next page:

> —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.

Not consider in 1935, but "immediately" consider. Then further:

> We have at the present time a federal system of annuities. 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 available 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. No question of constitutionality can be raised with respect to it. I submit the government might well consider whether the system of providing annuities which now for many years has been administered by the federal government, might not be so extended in its bearing upon social problems, as to make it available to meet other risks that arise from industry.

There, I submit, was a constructive idea and suggestion. The Prime Minister says he has met with nothing but opposition from this side of the house. Has he listened to what we have been saying over and over again, from year to year urging the very sort of thing he now says he is trying to do in the bill he

has introduced, but which should have been done only in a different manner five sessions ago or at any one of the sessions that have intervened?

In 1931 we saw very clearly that the considerations I have mentioned, with regard to financial jurisdiction, conference with the provinces and the like, would have to be considered, together with the necessity for the amendment of the British North America Act. Those factors we brought to the attention of the government. The amendment of the British North America Act was one point that was clear from the start. We have all seen, understanding the jurisdiction to be as we all along have believed it to be, that, if a national scheme of unemployment insurance was to be drawn up, it could be done only in one of two ways. One way was by agreement with the provinces whereby they would act within their jurisdiction and the government of Canada would contribute grants in aid, as has been done in the case of old age pensions; the other way was by amending the British North America Act in a manner that would enable this federal parliament alone to deal with the question. We always said that a conference with the provinces, if properly carried on, would enable us to reach agreement on an amendment of the British North America Act, but five years have been lost in the holding of any conference of the kind. I say here that we will yet discover that such a conference must take place; we will yet discover, before any legislation of this character comes within the jurisdiction of the federal government, that it will have to be by the path of some conference between the dominion and the provinces, and through agreement reached as a result thereof. I pointed out the desirability of a national scheme in dealing with old age pensions as part of a social insurance scheme:

> . . . we believe old age pensions should be a part of the social insurance scheme of this country. But we think it should be a national scheme; it should be administered nationally, 100 per cent of the money raised and the entire scheme administered by the federal government.

We as Liberals were not seeking to be rid of an obligation in connection with a national insurance scheme; we were claiming that as with the case of old age pensions this parliament should be placed in a position to take it over.

> We say that the present government ought immediately to take steps to have the British North America Act amended so as to make possible federal administration so that when the time comes to pay the old age pensions 100 per cent, we shall not be met with any constitutional obstacle to the administration of the scheme in its entirety by the federal government.

That was with regard to old age pensions. I have quoted from Hansard of June 2, 1931, at page 2265. On the same date, at page 2266, I am quoted as follows:

> . . . I say the British North America Act should be amended so as to make it possible for the federal government to undertake the administration of that scheme.

That was the old age pensions scheme. If the act had been amended in that regard an amendment could have been secured easily with regard to unemployment insurance as well.

> . . . the time has come when the federal parliament should seek to have the British North America Act amended so as to make it quite clear that it will be within the jurisdiction of this parliament to administer an old age pension act . . .

That was as long ago as 1931; that had been stated before, and I have stated it continually since. On November 22, 1932, I dealt with the same matter again, namely, an amendment of the act but specifically in relation to unemployment insurance. Here are my words, as reported in Hansard of November 22, 1932, at pages 1458 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.

At that time, from something the Prime Minister had said, I thought he was going to come round in favour of a national scheme, but apparently he then had something else in mind, evidently what he is attempting to do to-day. In my innocence I took him as meaning he was going on at once with a national unemployment insurance scheme, and said:

> We shall I trust be able to work in harmony and cooperation 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.

There was an acceptance of what at that moment seemed to be the intention of the government, to introduce an unemployment insurance measure, but one that it would be within the competence of this parliament to enact.

I have referred at different times to the formal statement of Liberal policy with respect to different matters; the position of the Liberal party in regard to some present day problems, which I made in this house on February 27, 1933, and which sets forth the Liberal policy with respect to these questions of unemployment and unemployment insurance. I will place this statement of policy on record again, so that there can be no question in the mind of anyone as to where we all stand on the matter of unemployment insurance:

> Unemployment of First Concern
>
> The Liberal party believes unemployment is Canada's most urgent national problem. It would deal with the present emergency conditions through a representative national commission, which would cooperate with the provinces and municipalities in the administration of unemployment relief and in an endeavour to provide work for the unemployed.
>
> 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.

That is our position. Let me conclude, Mr. Speaker, by pointing out what has been the attitude of hon. gentlemen opposite towards that position. 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, and there has been no one whose objections have been stronger and more emphatic than those of the Prime Minister. Let me read what the Prime Minister said about the power of this parliament to deal with this matter and why nothing had been done up to that time, further, why nothing could be done, in view of what the Prime Minister said. I quote from Hansard for November 22, 1932, at page 1452, with regard to unemployment insurance. At that time the Prime Minister referred to what he had said in 1931. I will refer to 1931 a moment later, but I am taking 1932 because he emphasized his position then in no uncertain terms. Here is what the Prime Minister is reported to have said:

> It will be within the memory of most hon. members that on the 29th of April, 1931, I made a statement with respect to the question of unemployment. In the course of that statement I discussed at some length the question of unemployment or of social insurance that might become the subject matter of legislation to deal with the question of unemployment and allied problems. I pointed out why the government of Canada could not introduce legislation to deal with that matter. Roughly the reasons are two. One is purely a constitutional or legal reason; the other is an economic reason because of lack of information with respect to the subject matter then under discussion.

Can anything be more definite than that? The government, the right hon. gentleman intimated, could not proceed with an unemployment insurance scheme for two reasons. One reason was the economic one of not having the information. I think they were to blame for not having it, but we will let that pass for the moment. The other was the purely constitutional or legal reason which the Prime Minister urged then, had urged before and kept urging at every subsequent session. Further he said:

> The first reason—
>
> The first was the constitutional or legal reason.
>
> —has been so fully stated to this house on so many occasions that I shall not do more than refer to it very briefly.

Then he does refer to it at some length. What does he say? Let me quote only one or two parts of his observations:

> 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 authority indicates clearly that all the federal parliament can do by way of legislation is to assist the provinces in the discharge of their constitutional obligations.

As I said, there was an effort to reflect on one province—

> Mr. LAPOINTE: What date was that?

Mr. MACKENZIE KING: November 22, 1932. I have made it clear that objections came even from those emphatically Conservative provinces of Ontario and Saskatchewan. Then he states:

> That is the judgment of the court of last resort so far as we are concerned.

Then, listen to this in regard to jurisdiction —oh yes, and my hon. friend, the ex-Minister of Justice points out that that was a year after the aviation case on which the Prime Minister now rests his authority.

Mr. BENNETT: But the aviation case was not the radio case.

Mr. LAPOINTE: And even the radio case.

Mr. MACKENZIE KING: Listen to this, on the matter of jurisdiction:

The question of jurisdiction—

This is very interesting.

—therefore is at the bottom of all relief which is of a permanent character.

It is not hon. members on this side of the house who have raised the constitutional issue; it is the Prime Minister himself. These are his own words:

The question of jurisdiction therefore is at the bottom of all relief which is of a permanent character. Any legislation that may be enacted to deal, for instance, with social insurance problems must have the support of the provincial authorities. I made that abundantly clear on more than one occasion here, and it was agreed to I think by every member of the house who had taken the trouble to consider the question. Now pressure has been brought to bear by various organizations throughout the dominion to ensure the passage of what is known as contributory unemployment insurance legislation.

That is what we have in this bill.

That legislation, to be effective in this country, with jurisdiction divided between the provincial legislatures and the federal parliament, could have validity only, if it had the sanction both of the legislatures and of parliament. That I think has been conceded but that difficulty is one that can be overcome. It can be overcome rather readily if the provinces will agree to such an amendment to our constitution as will clothe parliament with the appropriate authority.

But the Prime Minister has given them no opportunity to confer with him at any length to work out the means to that end. Then further:

There are other questions to consider besides those affecting social insurance and social problems. There are problems with respect to taxation. There are problems with respect to the Companies Act.

And so on. Recognizing that there are other obligations as great, he continues:

The British unemployment insurance legislation was predicated upon actuarial computation. The difficulties arose because it was found in practice that the fund had to borrow to enable it to discharge its obligations, and the borrowings became so great that, in the language of the government of the day, it threatened the very solvency of the state itself.

That was another reason that was given why they could not go on. Then the preceding sentence in the right hon. gentleman's observations:

I take it that the judgment of the house, broadly speaking, was that any measure of social insurance should be contributory in its character, that it could not be otherwise.

[Mr. Mackenzie King.]

Then he speaks about the difficulties about raising money for contributory purposes, and goes on to say:

If in the language of one hon. gentleman who has spoken in this discussion we are to derive any benefit from the knowledge of the past, it can only be because we can rely upon it to enable us to go forward with plans and proposals that will not be shipwrecked because they are based upon guesswork. I pointed out then that the census would be taken in 1931, and I further pointed out that when the census was completed we proposed to have the figures disclosed by the census so analysed as to enable us to deal with the subject, assuming, as we did, that we might be able to make a satisfactory arrangement with the provinces. I therefore desire to make it perfectly clear that in pursuance of the statement which I then made and which I shall now read, it is the purpose of this government to have a conference of the provinces to determine what action may be agreed upon with respect to this and other matters.

As I have said, that conference never took place. I was going to quote from Hansard for 1931, but as I wish to conclude before six o'clock I shall omit any further extracts with the exception of one. At the time to which I have made reference a motion was before the house which had been moved by the hon. member for North Winnipeg (Mr. Heaps) to the effect that immediate attention should be given to the matter of unemployment insurance. Speaking on the motion the Prime Minister said, as reported at page 1099 of Hansard for 1931:

Mr. Speaker, I do not propose this afternoon to traverse at length the ground covered by the hon. gentleman who has just taken his seat (Mr. Heaps). I desire only to point out two or three problems which must be dealt with before this question can be determined.

Before.

First there is the question of the respective jurisdiction of the federal parliament and the provincial legislatures which has to some extent been determined by the law officers of the crown. As has been pointed out by the provincial Premiers, there is no reason to doubt that with the joint action of the provinces and the dominion some satisfactory solution of this problem can be found.

Then he made a reference to the Minister of Labour of that day and stated that the then member for Kenora-Rainy River (Mr. Heenan)—

—suggested the other day that this matter might have been discussed at the recent dominion-provincial conference. I can only say—

And this is apropos of what the Prime Minister said to me a day or two ago, when I expressed the view that a conference to

be of any value would take a little time, and he replied that there was no necessity to take time, that it could all be done in a day.

Mr. BENNETT: Oh, no.

Mr. MACKENZIE KING: Oh, yes.

Mr. BENNETT: Not as bad as that.

Mr. MACKENZIE KING: Not more than a day, anyway. But here is what the right hon. gentleman said in 1931:

I can only say that the question could not be dealt with at any such conference in one or two days, or in half a dozen days; there are questions which involve consequences of the most far-reaching effects in every possible way so far as the body politic is concerned.

And so on, and so on. Then elsewhere he said:

First it suggests that the government should take consideration the immediate establishment of a federal system of insurance. I do not think my hon. friend is well advised in leaving the word "immediate" in his motion for the simple reason and obvious reason that it must be known to him and to every hon. member who has read any book upon the subject—

Some hon. MEMBERS: Hear, hear.

Mr. MACKENZIE KING:

—or who has given time or consideration to the problems involved that it cannot be dealt with in three weeks, six weeks, one month or several months. So far as that feature is concerned, I would suggest that he delete the word "immediate" from his resolution. I suggest also that after the word "federal" and before the word "system" he add the word "contributory," thus making it a federal contributory system. Then I will suggest that the words "after satisfactory arrangements have been made with the provinces" be added at the end of the resolution.

He continued to emphasize that point.

Mr. BENNETT: The other part is very important, if you do not mind reading it.

Mr. MACKENZIE KING: I wish to conclude my remarks by six o'clock. My right hon. friend may read it later on, if he wishes.

An hon. MEMBER: Why did he change his mind?

Mr. MACKENZIE KING: Someone asks why did he change his mind. I think, from his references to others, that the Prime Minister's mind may be easily understood. On April 26, 1932, when the Prime Minister came across some literature which was issued by the League for Social Reconstruction he tried to make it appear that the zeal shown by those who favoured unemployment insurance had arisen from motives of advantage in electoral campaigns. I have before me his observations, as they appear at page 2404 of Hansard for 1932. Dealing with the document I have mentioned he said:

The document I have before me is not entitled "the policy of the Liberal party," but at the end I find the words: "The League for Social Reconstruction."

Then I shall read one paragraph from the document the right hon. gentleman quoted, a paragraph which has a familiar sound today:

The present capitalist system has shown itself unjust and inhuman, economically wasteful and a standing threat to peace and democratic government.

That paragraph was contained in the statement issued by the League for Social Reconstruction. There are set forth a number of measures which are said to be part of the policy of the League for Social Reconstruction, number 4 of which reads as follows:

Social legislation to secure to the worker adequate income and leisure, freedom of association, insurance against illness, accident, old age, and unemployment, and an effective voice in the management of his industry.

The vesting in Canada of the power to amend and interpret the Canadian constitution so as to give the federal government power to control the national economic development.

The Prime Minister commented on that as follows:

I commend that to the members from Quebec. There go your provincial rights, there go your provincial constitution.

Mr. BENNETT: Hear, hear.

Mr. MACKENZIE KING: I continue the quotation:

Mr. Casgrain: Not at all.

At that time the Prime Minister had it in his mind—how it came there I don't know—that Hon. Vincent Massey was responsible for this League for Social Reconstruction and that as president of the National Liberal Federation this policy had been brought forward for election purposes. Now I ask the house to listen to this; hon. members will see why we are getting this unemployment insurance scheme at this moment. I quote again from Hansard of April 26, 1932:

Mr. Bennett: I commend this new declaration to the consideration of the house because it indicates that change for which we have all been waiting, namely, an effort to take advantage of what may be described as the unrest and the distrust incident to the present economic condition and to capitalize it for party advantage through the oblique attack of the establishment of social reconstruction.

Mr. BENNETT: Hear, hear.

Mr. MACKENZIE KING: There, Mr. Speaker, I think is the full explanation of why we have this measure brought down at the present time.

May I say to the Prime Minister that he knows better than anyone else that the final authority that settles these questions of jurisdiction is the courts, and that he cannot by assertion or by assumption give to this parliament any power to deal with these matters which it does not now possess. That is the reason, and the sole reason, why hon. members on this side bring to the attention of the government, as is their duty, and why as leader of the opposition as is my duty I stress the point, that we believe, proceeding as he is, he has adopted a course which will not commend itself to the courts when this legislation comes eventually before them for final decision. In order that I may do the Prime Minister full justice in the matter of the importance he attaches to the judiciary with respect to the interpretation and effect of all legislation, I want to read his words which I have before quoted indirectly, and which I quote directly now. He was speaking at Toronto on February 18, 1932, on the occasion of being called to the bar of Ontario and being made a bencher of the Law Society of Upper Canada. I quote from the Ottawa Journal of February 19, 1932:

> Marking centenary celebrations of Osgoode Hall, home of the law courts of the province, was the induction of the Prime Minister of Canada as a barrister at law of Ontario.
>
> "I think the judicial branch of government is the most important," said Mr. Bennett, addressing the convocation of benchers of the Law Society after he had been introduced by W. N. Tilley, K.C., treasurer of the Law Society, and sworn in by Clarence Bell, assistant registrar.
>
> "The legislative branch is very important, the executive tremendously so, but in the final analysis the judicial branch of the government is the one to which most attention should be paid. It interprets the acts of the legislative and executive branches, and upon the collective judgment of those we appoint for this purpose depends not only life, liberty and freedom, but the enjoyment of property and all that is thereby involved."

Mr. Speaker, this legislation most certainly will eventually come before the courts for decision. I should like to have seen an unemployment measure passed by this house in accordance with the recommendations of the standing committee on industrial and international relations, a course that would have made the legislation unanimous and would have removed all possibility of doubt as to its validity. When this legislation is passed, there will still be the doubt as to whether it has any validity at all.

[Mr. Bennett.]

In the circumstances, I say to the Prime Minister that in these days of stress and anxiety and suffering for the mass of the people, they are crying for bread and he is giving them a stone. They are crying for fish and he is giving them a serpent; because in addition to their distress and their suffering, when this legislation is found to be ultra vires there will be the sting of bitter disappointment.

At six o'clock the house took recess.

After Recess

The house resumed at eight o'clock.

INTEREST ACT AMENDMENT

Mr. G. G. COOTE (Macleod) moved the second reading of Bill No. 11, to amend the Interest Act.

He said: The principle of this bill is to place in the Interest Act a maximum rate which may be charged or collected on any agreement. The present Interest Act, being chapter 102 of the Revised Statutes of 1927, provides:

> Except as otherwise provided by this or by any other act of the parliament of Canada, any person may stipulate for, allow and exact, on any contract or agreement whatsoever, any rate of interest or discount which is agreed upon.

It is these particular words to which I take exception, "any rate of interest which may be agreed upon." The Money Lenders Act, which applies of course to persons engaged in the lending of money, fixes a maximum of twelve per cent as the rate that may be charged; and in the Bank Act there is set a maximum rate of seven per cent that may be charged by the banks. The Interest Act sets no limit. Why place a limit on the rate that may be charged by money lenders but set no maximum rate which may be charged by others? I think we all agree that our experience shows the advisability of placing a limit on the rate that may be charged by money lenders as well as by banks, and I feel it is just as necessary to place a limit on the rate which other persons may collect.

If a limit should be set, what should that limit be? If the banks are limited to seven per cent I can see no reason at the moment why that same rate should not be set for those engaged in general business. Therefore I have drawn this bill, the new section 2 of which fixes a limit of seven per cent. It is a common practice, in western Canada at any rate, to charge rates as high as eight, ten and even twelve per cent per annum. I know that thousands of machine company notes have

been drawn carrying a rate of eight per cent until due and ten or even twelve per cent per annum after they are due. Millions of dollars have been paid in interest at these rates, but that is impossible now, with prices as they are. There are millions of dollars owing by retailers to wholesalers, which have been carried on their books for years at the rate of eight per cent, and in many instances the interest is made up and compounded every three months and a draft issued on the retailer. In some instances retailers have told me that they calculate they are paying at least nine per cent per annum in this way, and a general limitation of seven per cent such as I suggest would afford considerable relief to such people. And now that the banks are limited to a rate of seven per cent chargeable to wholesalers, I think this provision I suggest is a very necessary one. Section 3 of the present act provides that when interest is payable on any contract, sale or agreement, and no rate is specified, the rate shall be fixed at five per cent. The new section 3, provides that the rate shall be four per cent. I have proposed that change because it seems to me that at the present time all rates should be lower. In section 4 the rate is reduced from five per cent to four per cent. This is where the rate of interest is not annual but is fixed weekly or monthly. A new subsection 5 (a) in the bill fixes a rate of four per cent which may be collected on any mortgage on real estate or any agreement for sale of real estate. I have suggested a rate of four per cent because I believe that the general opinion in this house, as expressed in the debate last week, is that four per cent is probably the maximum which farmers can pay. Certain members however have suggested that this is too low a rate and that if it were fixed at five per cent I should probably get more support for the bill. I may say frankly that it is the principle of establishing a maximum which I am asking for, and if the bill is allowed to have second reading I will move that it be sent to the banking and commerce committee, if that is the wish of the house, and the rate can be decided there. I hope we shall be able to do that.

I do not want to take up too much time, but I feel I should advance a few facts in support of my contention that the rate on real estate mortgages should be lower than it is at the present time and that a maximum should be fixed. So far there has been no limit, and there are to-day some mortgages outstanding at ten per cent, many more at nine per cent, and the bulk in the west at eight per cent. Though in the past many farmers have paid off mortgages bearing such rates of interest, that cannot be done to-day. The farmer pays interest out of the products of his farm. In olden times, I believe, he could pay in corn, wine, oil and cattle, but to-day he promises to pay in money and he has no way of monetizing his products; that is done by someone else. To-day, on the average, it takes fifty per cent more of his products to pay his interest than it did at the time he contracted the debt. Further, the farmer can pay only out of his surplus revenue. There are expenditures which he must meet if he is to continue farming, and it might not be out of place to bring before the house a few facts to illustrate the farmer's ability to pay.

Taking the average price of field crop commodities in 1926, the index figure being then 100, we find that in 1930 the index was 57·8; in 1931 it was 46·9; in 1932 it was 43·1; in 1933 it was 52·7, the average for these years being a little less than fifty per cent of their value in 1926. In 1933 the gross value of farm products was only forty-three per cent of what it was in 1928, and by 1933 the average farm income, which had stood at $1,600 in 1928, had fallen to $640. This is the average farm income, and probably half the farms in Canada had a lower income than that shown by the average.

Let me give two or three figures to illustrate the ability of industry to pay interest rates compared to its ability in 1929. In 1929 the gross value of production of the manufacturing industries was $4,029,000,000, and this had fallen in 1933 to $2,086,000,000. I am told that when we speak in terms of millions in this house it goes over the heads of the people; they do not realize what millions mean, but this is another way of stating that for each $1,000 which the manufacturer had for the value of his product in 1929, he had only $500 in 1933. His ability to pay interest had been much more than cut in two. The total amount of wages and salaries paid in the manufacturing industries in 1929 was $813,000,000 and that had fallen to $465,000,000 in 1933. Perhaps I have said enough to indicate that neither the agricultural nor the manufacturing industry can continue to pay rates of interest such as they have done in the past.

There has been a steady depreciation in the money value of all commodities and at the same time for the past five years there has been a steady appreciation of the monetary unit. The holder of money or fixed income bearing securities has found his purchasing power or real income in some cases doubled

and in nearly all cases increased by thirty or forty per cent. This has created a grave injustice to debtors; payment in many cases has become impossible and this has resulted in what in olden days would be described as usury. I quote from Mr. Woodlock writing in the Wall Street Journal. He says:

> Stated in its simplest form, the prohibition of usury in the middle ages extended to all loans at interest, the use of which did not produce a profit sufficient at least to meet the interest demanded for the loan, or in which the risk or sacrifice on the lender's part was not such as to require legitimate compensation. Probable profit to the borrower, or loss to the lender, justified interest; otherwise in detail that was the rule respecting usury.

If we view the matter in this light, it seems to me that a large part of our debt to-day is usurious and interest thereon has become usury. If the debt cannot be written down, some relief can be given to the debtor by reducing the rate of interest. The country's economy is built on a credit structure. It is quite evident that the structure can be preserved only if the creditor class will make some sacrifice. As Mr. Woodlock says:

> It is surely historically true that loans which do not produce the means for repayment are in the long run not repaid.

And high rates of interest in the long run are not in the true interest of even the lender.

I would like to give just this one further quotation from Mr. Woodlock. He says:

> In the historical perspective of business and industry, when all mistakes have been taken into account and all the changes in the methods and plants duly authorized, it becomes very clear that nature in fact will pay but a very small rate of interest on money-capital, if indeed, in the final book-keeping, she will pay any interest at all.

Two questions are involved in regard to mortgages, that is mortgages already existing and those that may be entered into in the future. I believe the bill as drawn would refer to both classes and personally I am more concerned with mortgages that are already in existence than with those that may be entered into in the future. I realize the question of federal jurisdiction may be raised in regard to this and I think it is only fair to have the bill go to the committee where that question as well as others relating to the bill may be threshed out.

In conclusion I would just like to say that the principle of the bill as I have introduced it is to establish a maximum rate of interest. It may be, as I have said, it is too low; it may be it is too high, but I would just like to say again that if the house would be good enough to give this bill its second reading and allow it to go to the banking committee I am quite willing that the rate of interest be determined at that time.

Mr. EUSEBE ROBERGE (Mégantic) (Translation): Mr. Speaker, I am particularly interested in the bill that has just been presented to the house under the title: An Act to amend the Interest Act. Bill No. 11, sponsored by the hon. member for Macleod (Mr. Coote) in order to lower the rates of interest, will certainly tend to better the situation of our agricultural and working classes.

Mr. Speaker, if adopted, as it ought to be, this bill will be of great advantage to anyone who, in our country, must borrow money. It will have the effect of establishing a standard rate of interest so that all will pay the same interest, 4 per cent per annum, whereas the present rates vary sometimes between 5 and 20 per cent. It is only fair and reasonable that rates should be lowered, considering that the Minister of Finance (Mr. Rhodes) has authorized the banks to lower the interest paid to savings depositors, first, from 3 to 2½ per cent, and later to 2 per cent. The rate of interest paid to depositors having been so lowered, it is a matter of justice that the interest charged by money lenders, on all loans made in our country be reduced to 4 per cent. Banks will still make a hundred per cent profit, as they pay only 2 per cent to depositors. Very few business men are making a profit of 10 per cent nowadays. Farmers who are selling their products at 50 per cent of what they were getting, will be in a position to take advantage of this reduction in the rate of interest. As for companies, trusts and individuals who make loans by the week, by the month or by the year, at rates ranging from 8 to 20 per cent, they have been robbing the public long enough and they are in part responsible for the present depression because they have withdrawn from circulation big sums of money by way of charging excessive rates of interest.

Mr. Speaker, I would ask the government to put this act into force as soon as it is passed by the house. If the government is really willing to give assistance to our farmers, as they seem to be if we are to judge by the farm loan bill the object of which is to increase the assets of the commission from 70 to 90 million dollars, then let the government lend money to farmers at 4 per cent in order to enable them to get through the present depression, the worst crisis our country has ever experienced. Then every provincial

government will be at liberty to pay a part of the interest, as it is already done in the province of Quebec. This province contributes 1½ per cent of the interest due the Dominion farm loan board and, according to news items published in the press, the Quebec provincial minister of agriculture is about to raise the contribution to 2½ per cent per annum. Quebec farmers would then borrow money from the dominion farm loan board at 4 per cent and would receive 2½ per cent from the provincial government. Consequently, they would get loans at 1½ per cent and that is about all the farmer is in a position to pay at the present time.

Mr. Speaker, our farming community is in urgent need of assistance from the government. It is not only pledges as they got in 1930 and since this government came into power that our farmers must have to maintain their financial situation. This government could not possibly make a finer gesture than to lower the rate of interest on farm loans to 4 per cent per annum, abolish all duties they have put on agricultural implements and all other taxes farmers and workers are forced to pay since 1931; to abolish the 6 per cent tax put by this government on all essentials of life, taxes which had never been imposed by any government even in war time. I am mentioning only a few of the taxes which this government has imposed and which they should abolish in order to assist the farming and labouring classes, because it would take too much time to mention them all.

In order to make up the amount it would sacrifice by reducing to 4 per cent the rate of interest on farm loans and doing away with all the taxes I have mentioned, the government would only need to double the income tax on incomes ranging from $10,000 to $1,000,000. On the basis of the answer to a question I asked in 1933, the doubling, for the duration of the depression, of the tax on salaries and incomes from $10,000 to $1,000,000 would provide the government with the handsome amount of $78,267,145.74.

On April 20, 1933, I asked the minister the following question:

1. What amount did the government collect by way of income tax, in 1932, from individuals, companies, corporations and others declaring incomes between $10,000 and $1,000,000?

Hon. Mr. Ryckman (Minister of National Revenue):

1. Individuals, $21,753,463.37; corporations, $35,749,230.32.

Following up this inquiry, on May 2, 1933, I asked the following question:

1. What amount did the government collect by way of income tax, in 1933, from individuals, companies, corporations and others declaring incomes from $500,000 to $1,000,000?

Hon. Mr. Ryckman (Minister of National Revenue):

1. $20,764,572.05.

The government thus collected from individuals, companies and corporations enjoying incomes ranging from $10,000 to $1,000,000 a total sum of $78,267,165.74.

As I suggested in 1933, and as I suggest again this year, the government should double the tax rate on incomes of $10,000 to $1,000,000 and thus increase its revenue by at least $78,000,000 a year, by collecting 78 millions of dollars from people who can well afford to pay it, the government could certainly do away with the above-mentioned taxes and reduce the rate of interest on farm loans to 4 per cent a year. The government would thus be able to provide the labouring and agricultural classes with the aid they so greatly need, while the recipients of large incomes would still have enough left to keep them from poverty.

Before I conclude, will you permit me, Mr. Speaker, to move the following amendment to Bill No. 11. I have had this amendment drafted by a legal man, as I am aware that, in order to amend an Act, one must proceed in legal fashion.

I move, seconded by the hon. member for Portneuf (Mr. Desrochers):

That Bill No. 11, an Act to amend the Interest Act, be amended as follows:

1. Section 1 is amended by striking out the last lines, after the words: "and the following is substituted therefor."

2. Sections 2, 3, 4 and 5 of the said bill are replaced by the following section:

3. Sections 3 to 11 inclusively of the said act are repealed, and the following is substituted therefor:

4. No creditor may require any debtor to pay a rate of interest exceeding 4 per centum per annum.

5. This act shall have retroactive effect.

Mr. SPEAKER: I regret to advise the hon. member that his amendment is out of order as the house is not in committee and amendments to a bill by striking out sections thereof are not in order on second reading.

Mr. ALFRED SPEAKMAN (Red Deer): Mr. Speaker, before the minister replies acceding to the request of the hon. member for Macleod (Mr. Coote), may I be permitted to say a few words in support of the principle embodied in this bill. I say the

principle advisedly, because I wholly concur in the suggestion of the hon. member that this bill be sent to the committee on banking and commerce, where, if the principle itself is accepted, the actual rates of interest might be determined.

That principle as I see it is of a dual character; that this parliament should where possible impose a maximum rate of interest which may be charged, and that that rate shall be such as to bear some relation to the ability of the borrowers to pay and to conditions as at present they exist in this country. I think it will be accepted as a fact by all that interest rates are in process of reduction, and that that lowering has become manifest in the sale of government bonds, the interest paid to bank depositors, and in other ways. But there is one point which I should like to stress for a moment; it was brought forward and fully developed in the work of the committee two years ago, which went extensively into the question of debt and interest. During what we usually term normal times, that is times of prosperity—I am speaking of them as normal times for the purpose of argument—I think it will be found that the various divisions of the individual and national income are about equal; that is a certain proportion will go to management, a certain proportion to labour, a certain proportion to invested capital. So long as those various parts hold a reasonable balance one with another, and each absorbs only a fair proportion of the individual and national income, so long the machine will run without undue vibration. But at the present time the situation reminds me somewhat of that form of internal combustion engine which derives its steadiness and power from the smooth running of a very heavy fly wheel. Most of us have seen that form of engine. As long as the wheel is in balance and each section corresponds in weight to the other sections the engine will run and perform its functions and not be subject to undue wear and tear. But if for a moment we try the experiment of overloading one section of that wheel until it weighs twice as much as the other sections, only one result can be expected; the wheel, the engine and the building in which it is situated would be scattered to the four winds and with it the unfortunate men who were attempting to carry on its operation. So far as I can see, Mr. Speaker, our situation is somewhat similar to that unbalanced wheel. The income of the nation and of the individual has been greatly lessened, perhaps by half, but that proportion of it which is expended in the payment of capital charges remains much as it was before, and is completely out of balance with all the other factors. It now bears no relationship whatever to the amount of the income which goes in other channels, and to my mind the system in which that is revolving is in the same danger as an internal combustion engine would be if its wheel was off balance.

I believe not only that it is fair but that it is sound economically that the principle of this bill should be accepted. It has been argued that in certain loans and certain forms of lending a higher rate of interest should be charged because of the risks involved, yet I would point out that the element which, above all others, increases the risk of a loan is the charging of a higher rate of interest than the invested money can earn. That is what makes a loan risky; that is what makes repayment doubtful or impossible, and because of that principle I believe the acceptance of this bill, with the determination so far as it is within our power and jurisdiction of the maximum rates which might be charged under those conditions, would be a sound move and one which would be of great assistance to those in debt as well as a stabilizing factor in society itself.

I should like to say just a word about those who are in debt. I remember once attending a meeting of some of the financial fraternity, and I listened with great interest as they propounded two theories, and I call them theories advisedly. One was that the investor was a public benefactor; everyone within hearing and everyone who might read those addresses was urged to save up money and invest it, because in investment lay the strength and life of the nation. But on the other hand they were urged never on any account to go into debt, because debt was something abhorrent and an outrage to nature. I wondered in my inner mind at that time whether they really grasped the significance of this fact, that the two are the same thing viewed from opposite sides, and that you cannot have investment without debt. Not one dollar could be invested unless someone in some way was prepared to go in debt to the amount of that dollar. So the debtor is just as necessary a part of our civilization as is the investor; neither could function without the other. That being the case, and if both are equally important and equally essential, I believe the state should make it a business to see that there should be fair play and fair dealing as between those two classes.

I strongly support the principle of the bill for another reason. We in this corner of the house have been urged again and again from both sides to abandon some of our visionary ideas and take note of the realities of life. I know of nothing more real, more drastic, more pressing and more demanding of immediate solution than the reality of interest payments upon debt. So in dealing with that question I believe we are dealing in a very practical way with one of the most important realities of life as we face it at the present time. I hope and trust, therefore, and in fact I have every confidence, that the minister will accept this suggestion, permit the bill to receive second reading and then have it sent to the committee on banking and commerce, where its details may be discussed, its scope considered and its application tried out.

Hon. W. D. EULER (North Waterloo): Mr. Speaker, I rise to say a word in connection with this bill because I am very largely in sympathy with the objects that are proposed to be served by it, and more particularly because in at least one of its clauses, that with regard to the proposal to reduce interest on mortgages, it applies to one class of people who have not received a great deal of consideration in this parliament during the last few sessions.

I am not prepared to say whether the rates proposed in the bill, reducing the interest on mortgages to four per cent, should be made retroactive or whether we should enter upon repudiation; I am not much in favour of repudiation. During the last week we discussed in this house a bill intended to relieve the farmers, and particularly the farmers of western Canada. We have had our friends in the corner, as well as hon. members in other parts of the house, year in and year out making a plea on behalf of the farmers, particularly of western Canada and I have no objection at all in that regard. Just a few days ago, in a bill that was before the house, an appropriation of something like $90,000,000 was proposed in order to help the farmers of Canada. I have no particular objection to that, although I am beginning to be a bit apprehensive as to just where we are going to find the money for this particular bill and also for the reform measures which have been proposed by the government. In passing I may say that with regard to unemployment insurance, as with regard to the other measures, one of the vital points to be considered and one of the matters in connection with which I think the house should be taken into the confidence of the government, is just how these moneys are to be raised. It goes almost without saying—and in this I am suppported by what the Minister of Finance (Mr. Rhodes) said the other day—that of the $90,000,000 which is to be appropriated a fairly large sum will be lost so far as the country is concerned, and the federal treasury will have to shoulder the burden.

Mr. RHODES: No.

Mr. EULER: I think my hon. friend did say something to that effect.

Mr. RHODES: No.

Mr. EULER: I am quite sure I can find it in Hansard, but the minister can speak for himself.

Mr. RHODES: Nothing approaching it.

Mr. EULER: I have every sympathy for the farmers of Canada, and I do not want anything I may say to be construed as suggesting that I am opposing the doing of everything possible for them. The farmer has been described as the forgotten man, but I think there is another forgotten man in our industrial towns and cities. In former days the city of Kitchener, from which I come, was known as the city of homes. I am afraid it is not the case now, but in those days seventy per cent of the people owned their own homes, which it seems to me is a very desirable state of affairs. Of late years, with the unemployment that has come to our artisans—and most of our people are employed in industrial establishments—it has become utterly impossible for these men to pay not only the debt instalments on their mortgages but even the interest and the taxes. They have no work; they have no income, and in the last year or two many of these people in my city, as in other industrial cities of this country, have been losing all they have invested in their little properties. In my own city there are still 4,500 people on relief to-day, more than there have been in three years. I believe it will be conceded that Kitchener is one of the very best towns in Canada, with people noted for their thrift, their enterprise and their intelligence. So far as principal payments are concerned they are protected by the moratorium, but that moratorium does not protect them so far as payments for interest and taxes are concerned. I rise only to say that when the government brings in its reform measure, or perhaps when it has an opportunity to consider the bill in the standing committee, I hope it will not lose sight of those men in our industrial towns and cities who are pressed just as hard as any other class in Canada.

Hon. E. N. RHODES (Minister of Finance): Mr. Speaker, under the rules of procedure in debate the discussion on second reading is confined to the principle involved. On occasions however it is very difficult to discuss the principles of a bill without referring, possibly for purposes of illustration, to the sections of that bill. I know of no bill which has come up for consideration which in a more marked degree required consideration of the individual sections than the measure now before us for second reading. For that reason I am of the opinion that the suggestion made by the mover, namely that the bill be referred to the committee on banking and commerce, is a sound one. The committee will have time to consider the details, and will be in a position to hear all the interested parties. When the bill is brought back to this house its provisions may more accurately reflect the general views of hon. members than if it were debated at length either on second reading or in committee of the whole house. Under the circumstances, and without prejudice, and reserving to the house the full right to take exception both to the principle and to the details of the bill itself, I believe it would be wise to send it to the banking and commerce committee.

Motion agreed to, bill read the second time and referred to the select standing committee on banking and commerce.

RAILWAY ACT AMENDMENT

PROPOSAL TO BRING COASTAL SHIPPING UNDER JURISDICTION OF RAILWAY COMMISSION

Mr. A. W. NEILL (Comox-Alberni) moved the second reading of Bill No. 12, to amend the Railway Act (traffic by water).

He said: Mr. Speaker, the bill is a very simple one, and is almost self explanatory. It is customary for those who oppose a bill to allege that there is lack of precedent for it. However in the present instance I can point to precedents which have run back for twenty-nine years. Section 358 of the Railway Act reads as follows:

> The provisions of this act shall, in respect of tolls, tariffs and joint tariffs, so far as deemed applicable by the board, extend and apply to the traffic carried by any railway company by sea or by inland water, between any ports or places in Canada, if the company owns, charters, uses, maintains or works, or is a party to any arrangement for using, maintaining or working vessels for carrying traffic by sea or by inland water between any such ports or places.

I would emphasize the fact that that section has been in existence for twenty-nine years, but has no relation whatever and conveys no suggestion of its being applicable only to through traffic, carried so far by land and so far by water. It is entirely applicable to carriage by water alone. I might best explain the bill by saying that its provisions are the same as those in the section I have just read, except that I would leave out the word "railway" and the expression "by inland sea", the idea being to make it apply to any company owning vessels and carrying traffic, either passengers or freight, by sea. I do however desire one or two slight changes which should be given in detail.

In the first place I make the section apply to vessels other than those owned by a railway company. In other words I make it apply to all vessels carrying freight and passengers by sea. Although I do not include the great lakes, I have no objection to the section applying to the great lakes, if the committee to which the bill may be referred to desires. However, I am not familiar with the conditions on the great lakes, and I do not wish to raise issues about which I do not know. I make it apply merely to coastal waters of both coasts. I ask that the routes and points of call should be supervised in exactly the same way, and by the same body as is now done under the board of railway commissioners in connection with the points of call and routes of railways. I also make an exception of boats under twenty tons burthen, so as not to require that small ferries should come under the restrictions or conditions of the provision.

Apart from that the section would apply to all vessels, the system which now applies to all vessels owned by a railway. If it is right and proper that it should apply to vessels owned by a railway I cannot see why it should not apply to another company which may probably or possibly be competing with a railway company, but which does not happen to own a railway. I believe the provision would be beneficial to all parties concerned. Communities served by the boats in question which may believe they have been overlooked or are not receiving the service to which they are entitled, or the rates they would like to have, could apply to the board of railway commissioners. On the other hand there is distinct and absolute protection for a shipping company from, we will say, political pressure. Perhaps some member of parliament may want a particular coastal boat to call at his summer home or that of his friends, and for that reason exerts the pressure necessary to have that done. Perhaps directly or indirectly the hint is thrown out that if the suggestion is

not complied with there may be difficulty in having a subsidy renewed. That would not be a desirable condition.

Mr. BENNETT: Does this apply only to ships sailing from one Canadian port to another Canadian port?

Mr. NEILL: Yes, from one port in Canada to another port in Canada.

Mr. DUFF: The coasting trade of Canada.

Mr. BENNETT: I just wanted to know that.

Mr. NEILL: Points of call, from one point in Canada to another point in Canada. The section would create a judicial body which would give fair, even handed justice and full consideration to all claims. No one would suggest that it would be desirable to do away with the board of railway commissioners. Yet at the time of its formation it was bitterly opposed. A railway company is to-day absolutely liable to the conditions I have named, provided they own the vessel. It does not need to be a through port of a journey partly by land and partly by water. On the Pacific coast it is just as applicable to a trip from Vancouver to Victoria as if it were on a ticket from Montreal to Victoria.

If it is asserted that the provision would raise issues with which the technical officers of the board of railway commissioners are not familiar, I would point out that they now have control of bridges, tunnels and the traffic, rates and charges thereon. They have control of the express companies and their charges, telephone companies and their charges, telegraph companies and their charges, and the fees charged for conducting business over cables. Under section 374 there is provision whereby the board of railway commissioners may control the price—the price, mind you—and the supply of water generated into power, a thing which certainly has no connection with railways. They have power to set the price that shall be fixed and to prescribe the manner in which the power shall be generated, and so on. So it is quite clear that the board has full power and scope and precedent for dealing with anything of that kind, and I would suggest that as all these railway bills go to the railway committee the minister might see his way to allowing this bill to be read a second time with the understanding that it will go to the railway committee.

Mr. T. L. CHURCH (East Toronto): Mr. Speaker, this matter came up in the house ten years ago. Railways and the telephone and express companies are subject to regulation by a board created by this parliament known as the board of railway commissioners, and I see no reason why shipping companies engaged in the great lakes and also in the coastal trade should not be subject to regulation in the same way. I was chairman of the Toronto harbour board for a great many years when the waterfront and harbour development was going on in Toronto, and I know something of the labour conditions on the vessels that ply out of that port and on the great lakes. The labour conditions are an absolute disgrace to the people of this country. Men are working on those boats night and day until the fall of the year bringing down the grain on its way from the west to the seaboard, and there are not adequate life saving facilities and life saving stations. As I said in this house in the sessions of 1922 and 1923 these vessels crossing lake Superior have to depend on an American wireless station, and almost every year there are disasters on the great lakes. Such conditions would not be permitted in any other line of business. Manufacturers, for instance, cannot work their men the way these men are worked on these boats on the great lakes. I do not wish to be harsh in my criticism because I know that shipping is in a precarious state, but I have seen men going out on these ships under conditions that defy all the known laws of hygiene, away down in the bottom of the hold of a vessel twenty or thirty or forty years old, and at night it is worse than the black hole of Calcutta. The health officer of Toronto complained to me about conditions on these ships twelve years ago when I was chairman of the harbour commission. I think that the principle of this bill should be considered by parliament because labour conditions on the vessels on the great lakes demand reform at the hands of this parliament. I would not take the responsibility of defeating this bill by talking it out. I am supporting the principle of proper labour conditions on the vessels on the great lakes, and I would like to see the principle of this bill considered by a committee of this house with a view to action being taken by parliament.

Hon. R. J. MANION (Minister of Railways and Canals): Mr. Speaker, it is almost nine o'clock, and I cannot make the few remarks I have to make within the three minutes or so remaining. While I do not intend to suggest that the bill should be voted down at this stage, and as I desire to make a few remarks, if the house is willing I would ask you, sir, to be good enough to

call it nine o'clock and then on Friday evening when the bill comes up again I can go on, if that is satisfactory to the house.

Mr. SPEAKER: The hour for private and public bills having been exhausted—

PATENTS OF INVENTION

Mr. BENNETT: Before proceeding to the second reading of Bill No. 8, Mr. Speaker, I move that we revert to the order for motions to enable me to make a motion for the discharge of the second reading of Bill No. 7, relating to patents of invention.

Motion agreed to, and the house having reverted to the order for motions:

Mr. BENNETT: I move, Mr. Speaker, that the order for the second reading of Bill No. 7, to amend and consolidate the acts relating to patents of invention, be discharged.

The purpose of this motion is to enable the bill to be gone forward with in the other chamber, leaving the resolution standing as it is, because there has to be an antecedent resolution. Then when the bill comes back from the Senate the money sections will be added to the bill. That has been done before and I believe is sound practice in cases of this kind. This motion is to enable the Senate to be seized of the subject matter of the bill, except the money clauses, and the committee can then consider the bill, and then when it comes back to us we can, if we so desire, have it dealt with by our own committee too.

Motion agreed to and order discharged.

BRITISH NORTH AMERICA ACT

APPOINTMENT OF SPECIAL COMMITTEE TO CONSIDER AMENDMENTS

Hon. HUGH GUTHRIE (Minister of Justice): Mr. Speaker, while on motions I omitted to move one this afternoon. It is merely for the appointment of a committee on the subject matter of a resolution which was under discussion a few days ago. I move:

That a select committee consisting of Messrs. Cowan, Guthrie, Turnbull, Ernst, Gagnon, Lapointe, Mackenzie (Vancouver), Ralston and Woodsworth be appointed in accordance with the resolution passed by this house on the 28th of January, 1935, to study and report on the best method by which the British North America Act may be amended so that while safeguarding the existing rights of racial and religious minorities and legitimate provincial claims to autonomy, the dominion government may be given adequate power to deal effectively with urgent economic problems which are essentially national in their scope;

[Mr. Manion.]

And that the said committee shall have power to report from time to time and to send for persons, papers and records.

Motion agreed to.

UNEMPLOYMENT INSURANCE

MEASURE TO ESTABLISH AN EMPLOYMENT AND SOCIAL INSURANCE COMMISSION

The house resumed consideration of the motion of Right Hon. R. B. Bennett (Prime Minister) for the second reading of Bill No. 8, 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.

Mr. A. A. HEAPS (North Winnipeg): Mr. Speaker, when the house adjourned at six o'clock the right hon. leader of the opposition (Mr. Mackenzie King) had just finished a lengthy address on the bill now before the house. If I may say so, his speech was divided into two parts, the first dealing with the constitution and the constitutional difficulties standing in the way of the enactment of this legislation, and the second giving a sort of résumé of the activities and efforts of the Liberal party in regard to social legislation between the years 1919 and 1930. The right hon. gentleman laid particular stress on the Old Age Pensions Act that was passed under the Liberal administration. The greater part of his remarks had very little reference to the bill now before the house. I do not wish to follow him in all that he said, but I would like to make one or two observations with respect to some of the matters dealt with in his address.

The right hon. gentleman laid much stress on the constitutional difficulties and the rights of the provinces, but very little stress on the rights of the federal parliament. After all, if this parliament or the provincial legislatures all took the attitude that they were going to stand by the very letter of their rights under the British North America Act, then government in this country would become almost an impossibility. I believe that the members of this house as well as the members of the provincial legislatures ought to take a broad view of the situation as it exists in Canada; for if we are to take a narrow view then progressive legislation will become almost impossible. In the past few years this government, as governments previously have done, has assisted the provinces in the matter of unemployment, and if the federal parliament

took the stand that the question of unemployment was entirely one for the provinces, then the provinces to-day would indeed be in a very bad position. However, since this bill has been introduced I know of no province which so far has taken any objection to it; in fact, I know of a number of provinces that have hailed with a good deal of satisfaction the introduction of an unemployment insurance bill in the House of Commons.

This afternoon the leader of the opposition, in discussing this measure, hinted at the rights of the provinces with particular reference to Ontario, and he indicated that that province was at the present time investigating its own rights in regard to certain taxation which the federal government was levying there. That sounded rather strange to me, for I read in this morning's paper that the Premier of Ontario had used the following language—it is to be found in a Canadian Press dispatch:

> There won't be work unless the federal government assist us. . . . We are not able to do it ourselves.

That is rather strange, I say, coming from a government who, it is claimed, will stand entirely upon their provincial rights. Then we were told something about the legal obstacles that stand in the way. Unfortunately we are compelled to leave these legal difficulties in the hands of the lawyers, and I presume we must allow them to fight the matter out.

Another objection raised by the leader of the Liberal party to this legislation was the fact that the provincial governments had not been consulted in the matter. I wondered whether, when the old age pensions legislation was passed in 1926, the provincial governments had been consulted in that regard.

An hon. MEMBER: Yes.

Mr. HEAPS: Some of my friends to the right say that the provinces were consulted. Well, I was in the house at the time that legislation was under consideration and one of the objections of the Conservative party was that the provincial governments had not been consulted. And if you will look at the records of the house you will find that when the old age pension legislation was introduced no provincial governments were consulted.

Mr. GRAY: It was not effective until the provincial governments had passed enabling legislation.

Mr. HEAPS: That is not the point. The provincial governments had a responsibility under that act, whereas under this bill they have no responsibility. Under this legislation the provincial governments will be relieved of certain responsibilities, whereas under that act they were asked to assume heavy obligations. But the party in power at that time introduced the legislation without consulting the provinces, just as the present government has done in connection with this bill. I cannot see therefore that the argument of the present leader of the opposition has very much to commend it when he urges that the government should have consulted the provinces before introducing this legislation.

The leader of the opposition also complained about the Senate having thrown out the old age pension bill in 1926. It is quite true that the Conservative majority in the Senate threw out that measure in 1926, but I notice that only twenty-one members voted in favour of the bill, one of whom I believe was a Conservative. There were more than twenty Liberal members in the Senate in 1926. Where did the others disappear to when the vote was taken?

If I wanted to go back into the dim and distant past to look up what had been said by one party or the other I could find a great deal to be said against both parties. I remember that in 1927 when a motion was introduced in this house to have submitted to a committee the question of unemployment insurance we heard language which does not now commend itself to those who used it on that occasion, such as this, for instance:

> Whosoever becomes the victim of unemployment, in this country, does so because he has no desire to work; he really refuses work.

It was one of the Liberal members who said that, when we were discussing the question of unemployment insurance on March 16, 1927, as will be found at page 1277 of Hansard. Another member said this:

> How is it possible to imagine that the government can grant every request of the country —among others tax reduction—and at the same time establish pensions for old age, the blind, workmen and destitute people over the whole country? I consider it absurd.

I could go on quoting at great length along this line but it serves no useful purpose and I do not intend to do so. It is more the part of true statesmanship to think of the present as well as the future and to deal less with the past. I have no objection to prime ministers and leaders of oppositions, even the opposition in this corner, changing their minds. It denotes at times not only good tactics but sound common sense when,

in view of changed conditions, they are prepared to change their own particular opinion. This afternoon we had a speech from the Prime Minister. Now the Prime Minister is a very able lawyer; in fact, if ever I wanted a lawyer to defend me on some particular charge my first choice would be, in spite of my dislike for lawyers, the present Prime Minister. But the right hon. gentleman made one significant admission which I think is unusual for our Prime Minister. He said that he had other ideas for relieving the unemployment situation. Possibly it was a slip of the tongue; he evidently had something in his mind, and I think myself that before he introduced legislation dealing with unemployment insurance we should have had from him what is after all his remedy for unemployment. It is far more important to deal with the problem of unemployment than with the problem of unemployment insurance, and if the government have any remedy now for the most important problem parliament has to deal with, then I suggest that this is the time for the Prime Minister to give us his ideas in the matter. I do believe that before we start on the question of unemployment insurance we ought to deal first with the fundamental problem of unemployment itself. I submit that it will be almost an impossibility, with things as they are, for us to deal in any comprehensive way with the problem of unemployment insurance.

When the bill was introduced in the resolution stage I claimed that with conditions as we have them now, with the numbers of people who are out of work, it would be almost impossible to have what one might term an actuarially sound system of unemployment insurance that would give relief benefits to even a small number of those who unfortunately find themselves out of work at the present time. The figures submitted by the Prime Minister this afternoon showed that at the time of the census in 1931 there were 2,566,031 people who were employed in that year. He claimed that there were affected by the present bill 1,701,834 persons, the vast majority of whom were male employees. But some rather significant omissions present themselves in those figures given by the Prime Minister this afternoon, for in the census figures of 1931 information as to the number of unemployed was not given. We do not know how many of those approximately two and a half million people are out of work now and we do not know how many of the approximately one and two-thirds millions who, it is claimed, might be affected by the bill, would actually come under its provisions.

[Mr. Heaps.]

I would venture to assert that tremendous reductions would have to be made from the figures given by the Prime Minister this afternoon to indicate exactly or even approximately how many people are affected by the proposed measure.

Since these census figures were taken, our unemployed army has grown to a considerable extent, and further there is in the bill a very important provision which states that those who are casually employed would not become beneficiaries under the proposed legislation. I do not know how they are going to define the term "casual worker." For the past five years numbers of men employed in railway shops have been employed only part of the time. Let me take for instance the Canadian Pacific shops. The men employed in those shops are working and have been working fourteen days a month since, I believe, the end of 1929 or some time in 1930. At fourteen days a month, or less than three and a half days a week, on an average throughout the year those men will not have worked twenty-five hours a week. Under the provisions of the bill would those men be termed casual employees? The chances are that if a legal interpretation were given, they could not be called permanent employees because they are working only three and a half days a week and they might quite possibly come under the category of part time or casual employees. This would almost immediately debar from the operation of the measure a vast number of men employed in both the Canadian Pacific and the Canadian National shops, for what applies to the Candian Pacific in the number of hours worked applies in almost the same way to the Canadian National shops as well.

I have had protests from some of these railwaymen's organizations in regard to the bill. In fact, so far as the bill itself is concerned, I have had up to now more condemnation than I have had commendation from the workers in different parts of the dominion, for we find that to a railway employee or to almost every other casual employee, that is one who is employed only part time, this would mean that he is expected to contribute to a scheme of unemployment insurance almost the equivalent of one cent an hour of his wages. I would like to remind the Prime Minister, although he is not in his seat at the moment, that when the resolution was before the house he promised to give us certain information in the form of printed matter, namely a report of Mr. Andrew D. Watson and Mr. Hugh H. Wolfenden, actuaries, who worked on this bill for quite a considerable length of time. I think he promised hon. members that

the printed report of those two gentlemen would be available before the second reading of the bill was taken up. Personally I was waiting for the submission of that document in order that I might have a better idea of the conclusion those gentlemen had arrived at and the reasons for certain financial provisions of the bill.

Reference was made this afternoon to the act in Great Britain, the statement being made to the house and the impression probably being given to the country that the proposed legislation to a very large extent followed the act as they have it in the old country. To a certain extent that may be true, but it is true in only a very limited sense, for in England at the present time the legislation is so all-embracing that it covers, I would say, more than one-quarter of the whole population of that country. In Canada I do not think the provisions of the bill will cover ten per cent of our population; that is, assuming we have 1,000,000 insured—and I do not think that figure will be reached for a great number of years—then only shall we have ten per cent of our population covered as against more than twenty-five per cent under the British act. Further, the unemployment insurance act in Great Britain has a definite purpose in view, which is to provide for men and women who are out of work. In this country our bill does not provide for them at all. We start on a completely different basis; we select a number of insurable risks and all the uninsurable risks are discarded until such time as they become insurable risks. The consequence is that we are going to take the good risks that probably do not require insurance, while the poorer risks that require more insurance than the better ones will have to go without insurance at all.

Moreover, the unemployment insurance act in Great Britain has been widened in its scope over a great number of years until to-day, as I said, it has become so all-embracing that very few men or women in the old country are outside its provisions. In Canada where for a number of years we have had such a huge army of unemployed and semi-employed, these men and women will unfortunately be altogether outside the provisions of the bill. That is brought about because the government intend, as was stated here by the Prime Minister this afternoon, to have an actuarially sound system of unemployment insurance. If we are to have a bill that is worth while we cannot have it actuarially sound, for the simple reason that so many men and women are out of work, there is such a vast army of unemployed, that substantial contributions from the state, far greater than anything contained in the bill, are required in order to give benefits approaching anything worth while.

Second, are we likely in the immediate or even the distant future to be able to have a bill that will include within its scope the numbers of men and women actually engaged in industry in this dominion? I remember the first session I came to this house one of the questions I raised was that of unemployment insurance, and practically every year until 1931 without exception I brought that matter up on the floor of this house—advocating some form of unemployment insurance to cope with the problem that was then confronting us. But from the year 1931 on I have not been half so enthusiastic for unemployment insurance as I was prior to that time; not because I did not want provision to be made for the unemployed—quite the opposite—but because I believe that if we are to attack the problem of unemployment successfully we have to attack it from an entirely different angle than mere unemployment insurance. Again, if we are to have a scheme of insurance that will take care of the unemployed, the numbers of unemployed in Canada will have to be reduced very greatly in order that the scheme may be actuarially feasible.

Why do I say I am not so enthusiastic to-day for such a measure as I was a few years ago? In 1927, 1928 and 1929 I introduced motions in this house, feeling that some form of insurance might be introduced that would take care of the problem in some effective way. In 1931 the Prime Minister was good enough to accept the motion. He stated that during the lifetime of this parliament a bill would be introduced dealing with the question. I have no doubt that it is pursuant to that pledge that we have this bill before us to-day. But when I advocated unemployment insurance in this house the number of unemployed was small compared with the number we have at this time. I was not as wise as some other people; I thought that the depression which struck us in 1929 and continued through 1930 and 1931 would pass away as other depressions have, and that we should again enter a cycle of better times, when the number of unemployed would be reduced. But the depression continued; the army of unemployed has grown larger, and to-day I venture to say that in this country it numbers approximately 600,000 people, in spite of the figures given by the Prime Minister. The hon. member for North Waterloo (Mr. Euler)

mentioned this afternoon the vast number of men and women on relief in Kitchener. I was told that in Toronto there are now more people on relief than there ever have been, that the number has reached a peak, more being on relief this year than last. With such a great number of people on relief I cannot understand how we can still claim that the number of unemployed has been cut in half since 1932. However, as I say I thought that the acute condition that prevailed in 1929 and 1930 would abate. Such has not been the case; we still have to-day what some refer to as an abnormal condition. I am wondering whether such conditions have not really become normal; for in addition to the vast numbers who are completely out of work we have other vast numbers working only part time, yet the industrial machine is running n the regular manner. So if the present conditions, these so-called abnormal conditions, are really more or less normal, then we must attack the problem from an entirely different angle.

Last year I brought in a resolution on the question of shorter hours and increased purchasing power for the masses of the people, and again I was thankful when the government accepted the motion and it passed the house unanimously. But I was very much disappointed when probably as a result of that resolution a bill was brought in this year for a forty-eight hour working week. If that is the best the government can do I am afraid that the lot of the unemployed is not going to be helped. In fact our army of unemployed is going to become a permanent thing in this country. I should like to see an attempt made to deal with the question in a far more radical and fundamental way than anything proposed by the government up to the present time.

As far as this bill is concerned it demands from the employer and the employee a contribution of twenty-five cents a week, while the government is to assume probably from 10 to 22½ cents as its share. No doubt this arrangement is somewhat similar to what prevails in other countries, and the benefits proposed somewhat similar to those given in other countries. But in other countries unemployment insurance was introduced a good many years ago, and we are beginning now on an extremely limited scale. I think we should look at this bill in a cold, logical way to see what it really will do.

In the first place I think it is generally admitted that as far as unemployment is concerned it does not begin to touch the question at all. It merely attempts to form a fund out of which benefits could be paid, and we are not sure as to the amount of those benefits, for the Prime Minister told us this afternoon very distinctly that a committee or commission would be set up to administer the act and that the benefits given might vary from time to time according to the actuarial condition of the fund. For instance at a time when a large number of the insured were unemployed the benefits to be paid might be less than those now set out in the bill. At the present time those out of work do receive certain relief. Responsibility for that rests upon the federal and provincial governments and the municipalities, each contributing about one-third. I venture to say that in a general way the amount of relief granted to persons out of work is about equivalent to the benefits proposed to be given under this bill. If such be the case, what does it mean? It means that what is now a responsibility of the province, the municipality and the federal government is to become a responsibility of the federal government, the employer and the employee; and those who subsequently find themselves in the ranks of the unemployed and who come under the provisions of the bill will not be taken care of by the provincial and municipal administrations. In other words the share now borne by the province and the municipality is to be loaded upon the employer and the employee.

I have said that I have no objection to the principle of unemployment insurance. I did hope, however, that when a bill was introduced the government would have been far more generous, and actually in some way undertake to care for the unemployed in Canada. I know it might be rather a tall order to ask the government to take care of the unemployed men and women at the present time; nevertheless they have to be taken care of in some way, and when we are offered a bill which will have the effect of taking out the good risks and leaving the bad ones to take care of themselves as best they can, we are doing a great injustice to a large proportion of the men and women who still hope to be employed in industry at some time in the future if not now.

Parliament has not, and could not have, any greater responsibility than that of dealing with the problem of unemployment, and whether or not I like it I have to compare the bills now before the house with the impression created throughout the country by the radio speeches of the Prime Minister. I heard those speeches and read them in the press, and when the newspapers asked me what I thought of these new ideas, this new

deal or whatever you may call it, I was one of the first to say that I congratulated the Prime Minister on his conversion. The only reservation I made in giving my congratulations was that I wanted to see the measures themselves when they came before the house.

I must confess to a certain amount of disappointment in both the present bill and the measure concerning hours of labour. The people of this country expected something more and something better from the government than is contained in either of these measures. You cannot place measures of this kind before the workers of this country and make them believe that they will improve their standard or help their lot in life; after all what the average person wants is a feeling of security, and neither the forty-eight hour week measure nor this unemployment insurance bill will give them any more security than they have at the present time. As I said a moment ago, Mr. Speaker, what I expect from this or any government is that they will get down to fundamentals in dealing with the problem confronting them, and which is likely to confront any government even after another election. We want to see them deal with the problem of unemployment, not only by means of an unemployment insurance bill but also in a more fundamental way than is expressed in the terms of this measure. I expect that about three-quarters of a million people will come under the provisions of this bill, and those men and women will be the people who least require this sort of insurance, for if a person is employed at the present time, under present depressed conditions, he is not likely to be out of work one or two years hence. So I think in this parliament we should have before us those other ideas at which the Prime Minister hinted this afternoon, in dealing with the problem of unemployment.

I confess openly, Mr. Speaker, with regard to this unemployment insurance bill, that it is hardly wanted by those who favoured it and is not wanted by those who opposed it. It is so negligible in the benefit it is to give the working people of the country that I think we will disappoint a great many of them, and I feel that it is almost an injustice to pass this measure unless its scope is made much wider than is the case at present. Perhaps before the bill is through the house the Prime Minister and the government may be in a more generous mood; perhaps the provisions of the act may be widened and the government may make larger grants than have been suggested up to the present. I do not want to be too harsh in my criticism; I would far rather be able to stand up and say to the government, "Thank you for what you have done in providing a measure that will be worth while," but a measure of this kind, so limited in scope and in the benefit it is to give, I am afraid will not be received with much enthusiasm by the working people of Canada.

As I have said already, Mr. Speaker, the problem of unemployment is more important than the question of unemployment insurance. I would far rather have heard from the government the proposals they have in mind to deal with the question of unemployment; then, assuming that their proposals could not entirely absorb those who are out of work, an unemployment insurance bill might be a valuable addition to their program, because it might take care of the limited number of unemployed. A program of public works is not a cure for unemployment; desirable though it may be to tide over a temporary situation, it cannot be regarded as a permanent cure. So I hope that before the bill receives third reading we may have from the government a further declaration as to what they intend to do to meet the unemployment situation in this country and what they intend to do for the army of unemployed who cannot now and probably never will be able to become absorbed into the industrial life of this country. Perhaps if they do submit to the house something worth while we might be able to feel a little more enthusiastic about this unemployment insurance measure than I feel at the present time.

Mr. G. D. STANLEY (East Calgary): Mr. Speaker, I have listened with curious interest to the address of the hon. member for North Winnipeg (Mr. Heaps). There can be no argument against the government dealing with unemployment as best it can; there can be no argument against the obligation which the people of Canada owe to those unemployed in industry, but I cannot understand or justify the hon. gentleman and others who confuse the consideration of the question of unemployment insurance with the question of granting relief to those who cannot receive benefits under such an insurance scheme.

The problem of unemployment is unquestionably a problem which belongs to industry as a whole, and in that I include the obligation which the governments of our country owe because of their association with industry. Unquestionably the hon. gentleman is quite correct when he asserts that unemployment is not the result of choice on the

part of the workman himself. Nor are those right who assume or imply, speaking in general, that the people who are unemployed are in that position because of a lack of energy or prudence or because of laziness on their part. That, of course, is the absurd argument we hear at times. The fact of the matter is that there is a distinct weakness in the system of industry as it has been carried on in this and other countries in that it has not provided for the continuous or steady employment of workmen associated with industry. The hon. gentleman would indicate that we must deal with relief on the one hand or with insurance on the other, and that the presentation to this parliament of a bill to deal with unemployment insurance means that no measures will or can be taken for the relief of the unemployed. Of course that is neither a fair nor a reasonable contention. To my mind there is no reason why tradesmen either within or without the unions should not be able to make their contributions along with others associated in industry who are helping to provide an insurance fund to enable them to carry on their work with reasonable security. The hon. gentleman is quite correct when he states that the workman's greatest need is a reasonable sense of security. The ideal to which he strives is that he may be self-supporting, and by that I mean that during his working years he may be able to earn enough to provide for the maintenance of his family during his whole life. The same should be said regarding industry as a whole; it should be self-supporting in the sense that during the twelve months of the year it will be able to fulfil its obligations to the human element connected with it. There has been a lack of organization which has been more marked in the last four or five years, but which existed even before the depression.

The hon. member for North Winnipeg contrasted what is recommended in Bill No. 8 with measures which have been in operation in the United Kingdom. I shall not discuss the matter in detail, but I will say that there are differences. One does not have to be satisfied that Bill No. 8 includes all the virtues of the legislation in Great Britain in order to conclude that there are virtues in it. We realize that the general principle of the bill before us is the principle which has been followed in the old country for the last thirty years. The details have varied, and improvements have been made there until it reached a point where in 1934 a distinct advance was shown over the legislation which had been in force during preceding years. What has been the result in the old country? I do not think anyone would doubt that there has been a distinct change in the psychology of the public in general, and in that I include not only the employees but the employers—industries, governments, trade unions, and the population in general—until to-day, and in fact it has been so for a considerable number of years, we find no real opposition to the principle of insurance. If one were to study the report of the Blanesburgh committee he would find through it expressions of confidence and of approval from all sections of the public. At one point the committee reports:

> Nobody has suggested to us that the principle of unemployment insurance should be abandoned. It has been recognized by all who have appeared before us, and we ourselves share the view, that an unemployment insurance scheme must now be regarded as a permanent feature of our code of legislation.

When we in this chamber undertake to introduce this form of social legislation we are accepting the principle set forth in the report of the Blanesburgh committee. In 1924 the national federation of employers' organizations —and I draw the attention of hon. members to the fact that it is an association of employers' organizations—set out their approval in the following terms:

> Whatever be the defects of the emergency measures, the experiment of compulsory unemployment insurance, as initiated in 1911, cannot be adjudged a failure in itself. On the contrary, experience since 1911 has proved that it is practicable in normal times to make provision, by way of insurance, for assisting the bona fide workman over periods of temporary and unavoidable unemployment.

Then, passing on down one comes to the Melchett-Turner group which gave its hearty approval to the scheme. Then the Liberal industrial inquiry gave its approval, and again later the Balfour committee appointed by the board of trade expressed the opinion that—

> —both from the point of view of general social welfare and from that of industrial and commercial efficiency, establishing of unemployment insurance in Great Britain had been amply justified, adding that they would find it difficult to imagine how the country would have fared "had not the insurance machinery been available in its time of need." Indeed, as they say, it is a subject of constant comment that "so deep and prolonged a trade depression has produced so little actual suffering in comparison with the experience of far slighter and more transient periods of depression before the war," a condition which they attribute in large part to the unemployment insurance scheme.

And so we have various bodies representing all sections of the public giving their hearty approval to the general principle. I realize that there may be criticism of the details,

but in Canada we have reached the point where social legislation of the type before us is being demanded by the general public. I have no doubt the trade unions of Canada will approve the principle of contributory insurance as it is contained in Bill No. 8, and I have no doubt they will support the measure despite the endeavour on the part of some to confuse a legitimate insurance scheme with a program of unemployment relief. I believe such insurance in this country is not a form of charity; it is not a gratuity, but it is good business. In my view when we provide for the human element in industry we are just using ordinary, common, everyday business tactics. As it is organized to-day society has reached the point where it recognizes that industry cannot survive unless it is prepared to take its part in bringing about social legislation such as that we are now considering.

If one took the time to review the legislation of the old country, he could go through the various amendments that have been made, showing that they did experiment during the years. For example, during the six years from 1920 to 1926 there were sixteen different enactments changing the application of the insurance principle. I think, however, it is safe to assume that the legislation as they have it now is fairly well fixed and that it is a permanent acquisition to the needs of industry in that great country.

What has been taking place in the old country? What has been changing the psychology of their people? During the last thirty-five years the expenditure on social services in the United Kingdom has increased from $180,000,000 to $2,500,000,000. Even since 1908 the expenditure on social services in the United Kingdom has multiplied five times, and the remarkable feature to my mind is that less than one-eighth of the total amount spent on their social services consists of relief extended under the poor laws or as relief itself.

Much has been said in regard to armaments, and it is very interesting to note this fact. In 1914, just before the war, Great Britain was spending on armaments about $350,000,000 a year, a sum equal to that which she was spending at that time on social services. Last year they were maintaining about the same quantity of armaments, at a cost of $575,000,000, about half as much again, but instead of spending $350,000,000 on social services that expenditure had multiplied to $2,500,000,000. While this was going on in the United Kingdom, showing the change in the attitude of the public towards social services there, France had multiplied her expenditure on armaments by six, Italy by five, Japan by five, and the United States by three. In the United Kingdom when unemployment there was at its worst, in 1929, between two-thirds and three-quarters of the number of those insured were persons who were regularly employed, and the average unemployment amongst the men was 140 days and amongst the women 93 days.

Coming to the bill before the house, as the Prime Minister, Mr. Bennett, pointed out this afternoon, this is an insurance bill. It provides for cash contributions by way of benefits for cash paid in by way of premiums, and that of course is an insurance proposition. Granted that it is insurance on an actuarial basis, I think it should be remembered that the bill goes beyond the matter of insurance pure and simple and provides machinery to give thought and organization to the whole question of unemployment as it is to be related to this insurance scheme.

One of the dangers of unemployment insurance which has been spoken of heretofore is that it may steer employers and employees away from the obligation which they have of organizing themselves to keep employment more regular and continuous. The labour exchanges which are to be set up under this bill are a very important feature in the carrying out of any unemployment insurance scheme. The bill provides for the regular and systematic placement of labour; it provides for the mobility of labour, which industry unquestionably requires; it provides also that the commission shall have authority to investigate, take evidence, and keep in touch with the movement of labour so that the proper measures may from time to time be taken to provide for the mobility of labour and the placing of men where their services are required. That means that thought is being diverted to the proper channels to assist in overcoming the difficulties of unemployment in our country.

I do not assume for a moment that this legislation is to be regarded as a measure for relieving the present emergency of unemployment in this country, but I do say this, that when you have the insurance scheme organized, and when the commission is set up with thought and organization behind it, then beyond the actual contributions provided for in this legislation the scheme will assist by serving as a prophylactic, if I may call it such, as a preventive of unemployment which might otherwise be thrown on the labour market. The scheme as we have it before us not only provides through its insurance facilities for the assistance of the men who are employed, but it provides for that thought and organization of which I

have been speaking, and it does help to provide the government and the people of this country with an organized system looking to regular employment, which must undoubtedly be of benefit in the years to come.

May I say one word more in regard to these exchanges, and I do not think this point has yet been brought out except that it has been mentioned that it is necessary for cooperation between the provinces and the commission to be set up under this legislation. To my mind there must also be the utmost cooperation between the workmen on the one hand and the exchanges on the other. There must be on both sides that feeling of confidence, that spirit which will help in coordinating the obligations which belong to the exchanges. That cannot be emphasized too strongly because unless the cooperation be such that the employees on the one hand and the employers on the other have the utmost confidence in the competence of the exchanges to perform that task of placing labour, of making it more mobile, then one of the most important features will be defeated.

May I bring up this point, which I think is a refutation of what the hon. member for North Winnipeg has said, that the exchange must be for the placement of labour, not as a detective agency, not as a semi police force, not as an agency for the distribution of relief or for the administration of relief measures. To my mind that should be removed entirely to the proper authorities and organizations; that work does not belong to the exchanges which will be set up under the provisions of this bill.

Further, the bill provides preventive measures. Section 7 (c) provides, practically speaking, for juvenile training, one of the most important features of the bill. It gives power to the commission to take whatever steps it may see fit to attain the knowledge and, having attained the knowledge, to apply it for providing preventive measures, the training of the young men. This is to salvage young people particularly from that part of labour which is most overcrowded. And that part is the unskilled labour. In the old country it is shown that ninety-three per cent of the men who drew their benefits under the insurance act were those who had left school before the age of fourteen. There is food for thought in that little bit of information; and if the provision of the bill gives to the commission the authority to use their intelligence, their conscience, their thought and their organizing ability to train the young to a more profitable form of labour, where labour will not be so overcrowded, then it will have done a great work in that line alone.

The bill provides for national health in part 4, which is also of very considerable significance. It is a wise intitial step to be taken before any systematic and really effective measures can be pursued for the further extension of social health insurance.

Beyond the immediate active provisions of this bill, section 7 (a) provides for what has been termed in some of the old country discussions the second line of defence—those who have exhausted their benefits of the insurance scheme. Section 7 not only empowers the commission but it puts upon them the obligation to use their time, their ability and their every opportunity to adopt measures that will assist in meeting this particular form of labour problem comprising those who have exhausted their benefits under the provisions of the bill. Then it goes a step further and gives them the authority to consider the whole question of unemployment. That does not bring the unprovided for unemployed under the benefits of the bill, but it does the very thing which the hon. member for North Wininpeg contended, which is that men who have the opportunity, an official body who have the authority, should give the best consideration to the great question of unemployment in a national way. And the measure so provides.

The hon. member for Winnipeg North Centre (Mr. Woodsworth) the other day did suggest that insurance and relief should not be separated. I think that those who have looked into the question of unemployment insurance will take the opposite view, that that is the very thing that should not happen, and that relief should not be grafted on to insurance in any way. If that is done the result will be of course that the employed worker will be contributing to the assistance of the unemployed citizens of the country. In other words, we shall be taxing employment to extend relief to those who unfortunately are on relief in this country. No one contends that nothing should be done for the unemployed. No one contends that the governmental and other agencies should not use their utmost power and thought in meeting that problem. On the other hand, no wise person would suggest that that part of the unemployment distress in this country should be provided for by the contributions which will be made by employed workmen into the insurance fund. That would be at once disastrous to the insurance undertaking; it is one of the things that should not be done. To my mind, this bill should provide, and it does provide for a

dignified insurance contract, and that should not be confused with any relief dole or relief contribution. On the one hand we are legislating for insurance, and on the other, when there is suitable legislation, we are providing for relief. But the insurance bill itself cannot be a mongrel measure, mixing up relief for the unemployed who do not come under the insurance scheme with the insurance benefits extended to those who do come under it.

One of the potential virtues of this bill is that the community as a whole will benefit through the sustaining of the purchasing power of our workmen in all the various classifications under the bill, during twelve months of the year, particularly during those months or weeks when it is impossible for a section of them to find work. It also sustains the morale of that part of our industry throughout the length and breadth of our country; it also prompts our employers to employ more labour. But in addition it has its danger, and that is the danger of demoralization. So often we hear of the demoralization of the employees, but there is not very much danger of demoralization of the employees who come under the measure. The greater danger is of demoralizing the employers or the government or the trade unions or those who may by reason of the smooth working of the legislation refuse to give that careful attention, that organization, which should be continued for the proper working of industry throughout the dominion.

I listened with considerable interest to the address delivered by the leader of the opposition (Mr. Mackenzie King) this afternoon. It was a speech of defence and excuses. I am quite willing to allow him that privilege; I shall endeavour to be magnanimous enough to excuse him for his excuses, but after all one has no particular inclination to discuss political platforms of years gone by. As a matter of fact I do not know very much about, nor am I particularly interested in the platforms of the various parties in years gone by. I am not concerned very much with the professions of political faiths, but as we stand to-day, I am concerned with action translated into legislation on the statute books of our country. That is what the Canadian people are interested in; the justification of former contentions or the glorifying or the condemnation of political platforms of years gone by is of very little interest. I agree heartily with the hon. member for North Winnipeg that we are not interested in those matters and that it is no sin for any politician or statesman to change his mind. I do not know nor do I care whether there have been any changes of mind, so long as to-day, when we are considering the question of unemployment insurance, we get a bill which will extend to the workmen of our country the insurance which they have been seeking.

The leader of the opposition may be quite content with the negative policy which he has presented and which he contended had been in existence for so long in the platform of his party, but I must congratulate the government on its positive policy incorporated in Bill No. 8 now under consideration. I presume the right hon. gentleman for the present is opposed to Bill No. 8; I could gather nothing else from his argument, although he did not so state in so many words. But whether the opposition comes by reason of some constitutional argument or by reason of some other argument in regard to principle, is of no significance in the result; if it means opposition to the legislation, if it means an endeavour to defeat the practical scheme comprised in Bill No. 8, then the right hon. gentleman and his party have done their share to oppose what labour in general in this country has been demanding for many years past.

Mr. A. W. NEILL (Comox-Alberni): The title of the bill promises us a good deal more than does the bill itself, which proposes to enact only two things. One is an extension of the employment offices now in existence and the second is a very limited scheme of unemployment insurance. Dealing first with the employment offices, I anticipate it is the design of the government to extend the existing system. I believe there are sixty-six such offices now. I have no doubt that this will be a good policy; it will cost a good deal of money, but I think it will be worth it. I see one point that might cause trouble. Under section 14 the commission has power to make regulations to make advances by way of loan for the fare of unemployed men to some point where they have secured work, and it states that such advances will be a debt due to the commission and recoverable by process of law. It might well be that that would take the form of a lien on the men's wages and we might have this situation: two hundred men at Vancouver might be sent to the wheat fields in Alberta with a lien on their wages. It would take them at least two months to earn enough money to pay off that lien. They might then be thrown out of work and have no money with which to return to British Columbia. Some provision would have to be made to safeguard against a situation of that kind. But the general principle of that feature of the measure is sound and I will gladly support it.

The second phase of the bill is the unemployment insurance. I have advocated this for many years and I must support the bill although I am disappointed at the limited extent of it. I accept the principle of contributions because I have always realized that without contributions it would not be an insurance system; it would be merely a dole. It is evident that those who are now out of work and unable to qualify under the insurance system must be taken care of in another way, but the insurance principle by building up a reserve in good times would help to soften the blow of unemployment when times became bad. Even a much more limited scheme, that of old age pensions, has taken 86,000 people off the labour market during the last few years. While I say that I shall vote for the bill, I wish to offer some criticism that I hope may lead to some alterations in the bill in committee.

I object first to the limited scope of the bill. Four-fifths of the people I represent will have no part or lot in it except to pay their share of the expense. Fishing, lumbering in its various branches, coal mining, pulp and paper mills and farming would include the bulk of the people I represent. The fisherman, the individual who owns his boat and gear, and the farmer on his own land, would not come under this bill, because it would be difficult to regard them as out of work employees. In a sense they are capitalists, although I hesitate to apply that name to them; it has become such a term of opprobrium. But when it comes to the lumber workers, those in the logging camps and the saw mills, I cannot understand why they should not be included; they are purely and simply workers. The Prime Minister (Mr. Bennett) was kind enough to suggest that he might take the temper of the house on that matter in committee, and perhaps allow them to come in. I hope he does so.

I wish to refer for a moment to the excepted employments, those which do not come under the bill. The first is employment in agriculture, horticulture and forestry. I do not know why agricultural workers should be cut out. The second exception is employment in fishing. That is ambiguous; I suppose it would cover not only the fisherman with his own gear but a man working in a cannery or reduction plant for wages. I see no reason why they should be excluded while people working in fruit or vegetable canning factories are included. I think that is an injustice. The next exception is employment in lumbering and logging. I do not know whether the word "lumbering" would include saw mills, but I am rather afraid it would, and if so a change should be made there. Then another exempted employment is in transportation by water or by air, and stevedoring. There is a large body of men on the Pacific coast, I suppose running into thousands, who make their permanent living working on boats. They are a decent organized body, mostly married men, and live in the towns from which the boats sail. And the same applies to stevedoring; there was a time when it was a most casual form of pick-up labour, but that is not the case now. These men are well organized, have their homes and stay by their job, are fairly well paid, and I see no reason why they should not be included. They cannot be regarded as casual labourers. One would think, if the idea is to start in a safe way and keep within the recommendations of the actuaries, that the more people involved the better; because it is well known that if you spread the risk over a larger number of people it can be calculated more accurately and you are better able to meet the demands.

Another exempted employment is banking, mortgage, loan, trust, insurance or other financial business. Why is a clerk in a hardware store or a real estate or lawyer's office or a wholesale grocery to come under the act while a clerk in a bank or insurance company remains outside? Surely the odium that apparently attaches to bankers nowadays need not attach to their often underpaid employees. Then employment in domestic service is excepted unless the employed person is employed in a club or in any trade or business carried on for the purposes of gain. That means that a girl in a café or hotel who has an opportunity to augment her wages by tips may come under the act but her less fortunate and lower paid sister in a private house is left out. I see no justice in that. Nurses are also excluded; I see no justification for that.

I do not want to be nasty, but it looks to me rather as if this bill had been framed—

Mr. MACKENZIE (Vancouver): "Framed" is right.

Mr. NEILL: —with a very significant eye upon the eastern industrial worker, the man who works in a factory or foundry or textile industry, while we on the Pacific coast and down by the Atlantic are to be left to shift for ourselves, in the same way that the manufacturing interests in eastern central Canada are taken care of by the tariff at the expense of us in the west and those in the far east.

The largest body of men among my constituents who would come under this act

would I presume be the coal miners, but I am a little doubtful if even they will qualify. They work intermittently, they are not fired but are simply laid off, and by that means a much larger number of men get the work spread amongst them. It is quite common for them to draw only three days' pay a week; I have known them to draw only three days' pay a fortnight. It is questionable whether they would qualify under this bill. It might be held that they are not out of employment because they are still working, although in this intermittent manner, and there is a provision that no man can get any unemployment benefit until he has been idle nine days. These men in fact are not idle nine days, although they may work only two or three days a week. There is another aspect of it that rather alarms me; it may be positively harmful to these men and others employed by large concerns both in the east and the west. Any large company, but particularly those I have in mind, coal mining companies that operate on this intermittent system, might fire half their employees. Suppose a company employs four hundred men and they are only working three days a week; the company has to pay for every man, and that would be $4,800 a year. If they fired half of them and employed the other half six days a week they would have to pay only half that sum, so that the company would save $2,400 a year. And that would apply to the big companies in the east, such as Simpson's and Eaton's, perhaps to an alarming extent. Companies often carry people not working full time just in order to keep them going.

I notice also the employer must pay for exempted people. Why draw a distinction between excepted employments and exempted people who are exempt under three specified conditions? But the employer must pay for those exempted people although the man himself is exempted and does not draw any benefit. It does not seem fair that the employer in that case should have to pay for the days he works.

Now a word as to the procedure, which seems to me complicated to say the least; and when procedure is complicated it means trouble. There are two routes by which one may proceed. Under section 27 there are five subparagraphs which cover most of the ordinary points on which disputes are likely to arise in connection with a man's employment or unemployment. These are subject to decision by the commission. Failing settlement by the commission or as an appeal from the commission they can go to the exchequer court. There are no details as to how the employee is to get there. Going to the exchequer court is a costly thing. The exchequer court comes to the coast only at long intervals. Can you imagine a man having a dispute about $6 a week going to the exchequer court? There are no provisions to say whether the man is to have his expenses paid. The Prime Minister promised some consideration on that point. Then there is another route, a parallel one apparently; I do not seem to be able to fit the two into each other, but it would seem that he can take one or both. The other route begins with section 28. Let us begin at the ground floor. There is a local insurance officer; he is the local man. Then there is a court of referees, provided with a specially appointed chairman. Then there is a panel to be constituted from which these referees are to be drawn. Above them there are deputy umpires and then an umpire, and above them under subsection 4 we come to the appointment of an unemployment and social insurance commission of three, of whom the Prime Minister spoke this afternoon. One would suppose that was almost enough machinery to run a petty little one-horse insurance scheme like this, but turning to section 36 you find provision made for an unemployment insurance advisory committee, consisting of a chairman and six members. They are not to be paid, but section 37 provides that they may receive an indemnity, which may amount to about $20 a day, and they will be able to run up to about $1,800 or $2,000 a year. This is not to be an unimportant thing: subsection 6 of section 37 states:

> The minister may assign to the committee from the public service of Canada or otherwise such professional, technical, secretarial and other assistance as the committee may require . . .

So evidently they are going to operate on a considerable scale. What are they going to do; what is to be the work of this advisory committee? They are to advise the commission, and they are to report on the fund administered by the commission. That is found in subsections 1 and 2 of section 36. But why do they need to do that? We have a board of railway commissioners, a pension board, a radio commission, a biological commission and others; they do not need advisory committees. For the life of me I cannot understand why this commission should need such a committee. Then if you turn to section 43 you see that the commission itself, quite properly, is required to make a report

to the government every year. Then why do they want someone to make a report on them? I cannot see it.

Then if we turn to section 38 we find the inevitable provision that is in all our acts nowadays, giving complete and arbitrary power to this commission to make regulations, or really to make laws. If you will turn to subsection (i) you will find that this commission of three have power to prescribe punishment for the violation of any regulation, including maximum and minimum fines not exceeding $50, and terms of imprisonment not exceeding three months. If that is not illegal it ought to be. Here is a body of men; we have not the slightest idea who are to compose it. They need not be lawyers, but they are to be given power to frame up a little criminal code of their own. They are not limited to the imposition of fines not exceeding $50, and in default imprisonment for three months; they can spread themselves and give anybody, for any offence however imaginary or trivial, of their own conception and defining, three months in gaol as well as a fine. I say that is wrong; I have no hesitation in saying so. I do not care whether or not it is legal. We are getting too much in the habit of turning over these arbitrary powers to these commissions.

Now I should like to say a word as to the benefits. After the man has paid in 25 cents a week for forty weeks and his employer has paid another 25 cents and the government 10 cents, because the government is obligated to pay one-fifth plus the cost of administration, the workman may get thirteen weeks at $6 a week for himself, $2.70 a week for his wife, and something for his children. I suppose those sums have been indicated by the investigation of the actuaries. But there is a benefit year prescribed, and it is provided that a man cannot get more than thirteen payments in any one year. The benefit year begins when he receives his first benefit, and he has to pay in for forty weeks before that. That will be almost a year, because at odd times he may be sick or he may have to go to his mother-in-law's funeral or something of the kind. It will take him almost a year in which to qualify. Then in the second year he may receive benefits for only thirteen weeks, and thereafter he must pay in for thirteen weeks more before qualifying for any further relief, but he can get only thirteen weeks' benefit in any one year.

That is the end of these two enactments. Again I turn to the title and quote the other things promised.

. . . for aid to unemployed persons, and for other forms of social insurance and security, and for purposes related thereto.

[Mr. Neill.]

Now I turn to subsection 1 of section 7, which provides that this commission shall try to formulate schemes for the insurance of the excepted classes, for the assistance of people now unemployed who are not eligible under the act, for training them and so on. This might have been and should have been the very crux of the act; it is the most important part. Why has not this been done already; why are they starting only now with instructions to investigate, when this legislation has been in process of incubation for three years? Why were they not devoting their energies to the formulation of a scheme to deal with unemployment, which is more important even than the scheme under consideration? Why do they not put this other advisory committee to work and have them start at once to devote their whole time to this question?

That is enough of that. Sections 39 and 40 deal with national health, and the duties of the commission in this connection could be performed by a competent stenographer. They are to assemble reports, publications, information and data concerning any scheme, and pass it around to anyone who wants it. There is no suggestion that they do anything practical, and I understand that this is due to the fact that as the legislation referred to in the preamble does not apply to health matters because there is no treaty in that connection, it is recognized that this question can be dealt with only through the provinces. I am not finding fault with that; I am merely directing attention to it.

I should like to conclude with just one general criticism, and it applies to both the employment section and the insurance section. It is that all these appointments are to be political. At page 278 of Hansard the Prime Minister said it was his intention to make this measure non-political so far as possible. I believe that if it were left entirely to him and he had everything under his own notice that would be the case to a large extent, but unfortunately these things are not done in that way. Local political associations and so on make recommendations. It is true that the umpires must be judges, but other than that this measure presents an opportunity to make a widespread political machine. Not a single appointment is to be made by the civil service commission. Let us begin with the employment officer. He is a local man, and he is to have a local committee to guide him. See section 13. Right there you have the danger of the office being run as a political machine, or the still greater danger of having it referred to as such. Every

man who has a job he does not like or want, or any man who does not want a job, will say, "I was discriminated against because I was not on the right side of politics. Otherwise I could have found a better job." Any arrangement about which it is possible to make such remarks is going to be fatal for the men trying to find work under the scheme, fatal to the success of the office and eventually fatal to the government that would take advantage of such an opportunity. I am not making any discrimination as between one political party or another.

Dealing with the unemployment side of the bill, this unemployment advisory committee is going to be appointed and paid by the government. Then there is this commission under section 4, which is to be chosen by the government and whose salaries are to be fixed in the same way. The umpires are to be chosen by the government as well, but they are to be judges, and they are not to be paid. Then there are the chairmen of the courts of referees, who are to be chosen by the government, not even by the commission. Then we have the panels to be chosen to represent employers and contributors, but mark you this: it does not say they are to be chosen by the employers and contributors. They are to be chosen to represent them, and who is to do the choosing? It will be done by the political commission, of course. The panel gives the thing a nice sound of fairness; the panel is to be chosen to represent the employers and contributors; these panels are to be constituted, whatever that means, by the commission and from them shall be chosen the men for the courts of referees. That makes it possible to have a very fair panel, but a real political choice. It would not matter how many men were put on the panel provided the commission were wised up as to whom they should pick out of that panel. That would give a fictitious air of fairness to the thing, yet it might be political from beginning to end. I notice that the chairman and the referee courts are to be paid at the discretion of the committee. Now we come to the insurance officer, another political appointment, but curiously enough under section 28 of the bill no provision has been made to pay him at all. I suggest the section will have to be altered when we reach the committee stage. With the exception of the umpires, all these appointments are to be political. This is simply asking for trouble. The bill we are now discussing is a new departure, and a great deal depends on getting off to a good start, and the way it is handled in the early days of its operation. By attaching to it right at the start this odour of politics it is badly handicapped. I suggest that throughout the country the measure would meet with greater approval if some of those appointments, in fact all of them, were put under the control of the civil service commission.

I hope the government may see fit to amend in committee some of the features I have criticized. Otherwise, on the general principle of the measure, I am prepared to vote for the second reading.

Mr. J. R. MacNICOL (Toronto Northwest): Mr. Speaker, may I point out that, apart from the views expressed by the hon. member for Comox-Alberni (Mr. Neill) who said he would support the bill, the views expressed by the other hon. gentlemen opposite this afternoon and evening in opposition to the bill are not the views of men at present working in industry. On Saturday last while at home I took the opportunity to speak to foremen of quite a number of large industries in the city of Toronto, a number of which are running twenty-four hours a day. The foremen told me that the men under their charge appear to be heartily in accord with the unemployment insurance proposals offered by this government.

In his observations the right hon. leader of the opposition (Mr. Mackenzie King) stated that the recommendations of several committees which had sat during his term of office and had discussed the question of unemployment insurance could not be adopted because of certain circumstances which he indicated. May I say to him however that during the same years in which the right hon. gentleman held office a number of countries throughout the world, some of which may have been labouring under conditions far worse than those obtaining in Canada, did adopt unemployment insurance legislation. Queensland, in Australia, adopted unemployment insurance legislation in 1922, Russia in 1922, Italy in 1923, Poland in 1924, a number of cantons in Switzerland in 1924, Bulgaria in 1925 and Germany in 1927. Each of these states has adopted a compulsory and contributory scheme. Two other countries adopted voluntary schemes, namely Norway in 1922 and Spain in 1923. If those countries in the years I have mentioned could adopt unemployment legislation I cannot see why Canada could not have taken a similar course. I was associated with business between the years 1921 and 1929, and I have knowledge of the fact that a considerable amount of money was made during that time. During the last two or three years in which it held office the late Liberal govern-

ment permitted certain companies which had made enormous profits to split their stocks. I am not finding fault with the fact that some made profits; but I maintain that if some extra consideration had also been given the workers in those industries the results would have been more advantageous, and perhaps at that time a system of unemployment insurance could have been set up on their behalf.

I shall not give the names of companies, but will be content to say that in 1929 company No. 1 split its stock twenty to one; in 1929 company No. 2 split its stock eight to one; in 1928 company No. 3 split its stock six to one; in 1928 company No. 4 split its stock four to one; in 1929 company No. 5 split its stock four to one, and again in 1929 company No. 6 split its stock four to one.

I was associated with industry for a long time and I have been of the opinion that the men working in the plants were entitled to more than they were getting out of what they were producing. Long ago I concluded that unemployment insurance would be one method by which the workman would receive more than the actual wages he received for his work. The hon. member for North Winnipeg (Mr. Heaps) said, in effect, that the number who would be affected by the bill is not very large. In making that observation I suggest the hon. member should have remembered that at the time the first unemployment legislation was adopted by Great Britain only 2,250,000 were affected out of a total working population of 15,000,000 or 16,000,000. This government undertakes to cover 1,701,834 workers out of a total working population less than twice this number. I say that in that regard this government at the outset has gone much farther than did the first government, namely that of Great Britain, which adopted unemployment legislation.

Lest I forget I should like to refer to something mentioned by the Prime Minister (Mr. Bennett) this afternoon, something which filled me with hope. He made reference to taking care of those who are not protected by this measure, and alluded to the fact that he was considering the people not covered by the bill, and to whom reference was later made by the hon. member for North Winnipeg. After all, this bill is essentially an unemployment insurance bill; it is not a relief measure. It is designed to take care of men and women employed in industry who may have to suffer temporary periods of unemployment. In my humble opinion the act covers that situation satisfactorily.

It is a well known fact that in all civilized countries the worker's only source of cash supply for the maintenance of himself and his family in health and comfort is his wages, and that when his wages are stopped because of his being thrown out of work he and his family are at once in economic jeopardy. The average worker in industry and in other vocations has to face not only the menace of being thrown out of work because of lack of work to do, but three other major economic menaces. He may be thrown out of work because of old age; he may be thrown out of work because of invalidity; he may be thrown out of work because of illness. It is for this reason that, in my opinion, on the continent of Europe—because there has been little or no advance in this kind of legislation on the American continent—the great nations help to sustain the purchasing power of their people, as I shall show later, by means of four major acts of social relief. The first is old age pensions, which I shall not discuss because we have the old age pension in this country. But this bill does provide machinery for consideration of factors affecting the national health and perhaps invalidity, and certainly it does take care of the fourth factor, namely, unemployment that results from there being no work for the workers to do.

On motion of Mr. MacNicol the debate was adjourned.

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

Wednesday, February 13, 1935

The house met at three o'clock.

RESIGNATION OF MR. T. L. McEVOY

Right Hon. R. B. BENNETT (Prime Minister) moved:

That the recommendation of the Honourable the Speaker with respect to the resignation of T. L. McEvoy, Esquire, a committee clerk, House of Commons, be concurred in.

Motion agreed to.

QUESTIONS

(Questions answered orally are indicated by an asterisk.)

PUBLIC DEBT

Mr. EULER:

1. What is the amount of the national debt?
2. What is the amount of the debt of the Canadian National Railways: (a) to the public; (b) to the government?

3. How much, if any, of the amount in the answer to (b) of question No. 2 is included in the national debt given in the answer to question No. 1?

Mr. RHODES:

1. Net debt as shown by transactions passed through the books of the Department of Finance to December 31, 1934, $2,764,964,294.

2. Debt of Canadian National Railways at December 31, 1934 (preliminary figures subject to verification by company's auditors):

(a) To the public		$1,246,330,439
(b) To the government:		
Loans	$672,307,663	
Accrued interest on loans	459,486,186	
Cost to government of Canadian government railways turned over to C.N.R. for management and operation	404,279,909	
		$1,536,073,758

3. All of the amount of $1,536,073,758 has been absorbed in the net debt of the dominion with the exception of $42,529,129, made up as follows:

(a) $26,780,208 of loans advanced for capital and refunding purposes in the years 1932, 1933 and 1934.

(b) $15,748,921 included in the cost of Canadian government railways which represents the amount (less repayments) of the open and stores accounts of the Canadian government railways at the time of their transfer to the Canadian National Railways for operation.

Both these items are treated in the public accounts as active assets and are deducted from the gross debt in arriving at the net debt.

BRITISH COLUMBIA RADIO BROADCASTING

Mr. HANSON (Skeena):

1. How many radio licences were collected in British Columbia during the years 1931, 1932, 1933, and 1934?

2. How many broadcasting stations are licensed in British Columbia, of what power and wave length are they, and what are the names and addresses of the respective licensees?

Mr. DURANLEAU:

1. Fiscal year

1931-32	55,534
1932-33	61,368
1933-34	55,978
1934-35, to end December, 1934 (9 months)	67,715

2. Eleven:

Location	Licensee	Licensed power in watts	Frequency in kilocycles	Call sign
Chilliwack, B.C.	Chilliwack Broadcasting Co. Ltd., Wellington avenue, Chilliwack, B.C.	100	780	CHWK
Kamloops, B.C.	Review Publishing Co. Ltd., Wilcox-Hall building, Kamloops, B.C.	100	880	CFJC
Kelowna, B.C.	Okanagan Broadcasters Ltd., Water street and Mill avenue, Kelowna, B.C.	100	630	CKOV
Lulu Island, B.C.	Canadian Radio Broadcasting Commission, C.N.R. station building, Vancouver, B.C.	1000	1100	CRCV
Sea Island, B.C.	G. C. Chandler, Hotel Grosvenor, 846 Howe street, Vancouver, B.C.	500	600	CJOR
Trail, B.C.	Kootenay Broadcasting Co., Ltd., Trail, B.C.	250	910	CJAT
Vancouver, B.C.	United Church of Canada, corner Hemlock and 12th avenue, Vancouver, B.C.	50	1410	CKFC

2. Eleven:—*Concluded*

Location	License	Licensed power in watts	Frequency in kilocycles	Call sign
Vancouver, B.C...	Sprott-Shaw Radio Co., Room 1604 Bekins building, Vancouver, B.C.....	100	1410	CKMO
Vancouver, B.C...	Vancouver Daily Province, 142 Hastings street west, Vancouver, B.C.....	100	1010	CKCD
Vancouver, B.C...	Western Broadcasting Co., Ltd., Hotel Georgia, 801 George street west, Vancouver, B.C.....	100	1010	CKWX
Victoria, B.C.....	Victoria Broadcasting Association, 620 View street, Victoria, B.C.....	50	1450	CFCT

PELEE ISLAND CABLE

Mr. GOTT:

1. When was the cable laid between Kingsville and Pelee island?
2. On whose recommendation?
3. What was the cost of installation?
4. How long was it in service?
5. How many times was the service disrupted while the cable was supposedly in use?
6. Has the Kingsville Pelee island service been abandoned?
7. When was the cable taken up?
8. What was the cost of raising the cable?
9. What was the total cost, including all expenditures, of the Kingsville Pelee island cable?

Mr. STEWART (Leeds):

1. October 2, 1927.
2. Assistant general superintendent of government telegraphs.
3. $614.
4. October, 1927, to June, 1933.
5. Nine.
6. Yes.
7. Taken up during summer of 1933 and placed in service on Quebec division.
8. $271.
9. $7,116.07.

PICTOU, N.S., CUSTOMS HOUSE CARETAKER

Mr. DUFF:

1. Has any appointment been made to the vacant position of caretaker of the customs house building at Pictou, Nova Scotia?
2. When were applications to fill this vacancy asked for by the civil service commission?
3. What date was fixed for the receipt of applications by the civil service commission?

Mr. STEWART (Leeds):

1. No. Due to the illness of the late incumbent of the position, the department selected a person to carry on the duties of the position temporarily. This was approved by the civil service commission in the absence of eligibles or lay-offs for assignment. Upon the death of the incumbent of the position, the department requested the commission to fill the vacancy. Consequently in order to secure a qualified candidate a competition has been advertised.

2. Posters advertising the competition were sent out on January 25, 1935.

3. February 2, 1935.

BAIE DES HA HA HARBOURMASTER

Mr. ROBERGE:

1. Who was the harbourmaster of the harbour of la Baie des Ha! Ha!, county of Chicoutimi, from 1926 to 1931?
2. On what date was he appointed?
3. On what date was he dismissed and for what reason?

Mr. DURANLEAU:

1. Mr. Georges Henri Lavoie.
2. August 22, 1925.
3. February 23, 1932; for political partisanship.

KAMLOOPS, B. C. POST OFFICE

Mr. HANBURY:

1. Were tenders called for painting the old post office building, Kamloops, British Columbia, during 1932?
2. If so, were such tenders advertised, in what papers, and on what dates?
3. Who were the tenderers, and what was the amount of each tender?
4. Who was the successful tenderer?

Mr. STEWART (Leeds):

1. Yes, tenders invited for painting and repairs in November, 1931.

2. No, tenders were invited from: W. J. Moffatt, Pinchbeck & Pinchbeck, Johnston & Company, W. J. Ellis & Company.

3. W. J. Moffat.. .. .. $662
Pinchbeck & Pinchbeck.. 694
Johnston & Company.. 1,135

4. W. J. Moffat.

In July 1932 the resident architect was authorized an amount estimated at $161.50 for painting and repairs to caretaker's quarters. Of this amount the estimate for painting was $108.

BUTTER PRICES

Mr. DUGUAY:

What was the price of butter in England and in Canada, during the months of May and June of the years 1928, 1929, 1930, 1931, 1932, 1933, and 1934?

Mr. HANSON (York-Sunbury):

	Canada wholesale jobbing price of creamery No. 1 pasteurized per pound at Montreal, Canada	United Kingdom Australian butter per pound at London, England (converted at current rates of exchange)
	$	$
1928 May..	.345	.312–.345
June..	.357	.310–.362
1929 May..	.354	.342
June..	.365	.324–.366
1930 May..	.297	.245–.279
June..	.271	.247–.280
1931 May..	.211	.226–.236
June..	.207	.231–.237
1932 May..	.169	.176–.179
June..	.164	.179–.182
1933 May..	.196	.150–.153
June..	.189	.160–.163
1934 May..	.206	.167
June..	.209	.165

CHICOUTIMI, QUE. UNEMPLOYMENT RELIEF

Mr. DUGUAY:

1. Has the provincial government paid to the federal government a sum of money spent by the city of Chicoutimi for unemployment relief?

2. If so, what is the amount, and why was it paid?

Mr. GORDON:

1. The federal government received from the province of Quebec repayment of a sum of money on account of relief expenditures made by the city of Chicoutimi.

2. $4,831.72 representing amounts irregularly included in certificates of expenditures previously rendered to and paid by the federal government.

*BLINDNESS AMONG EX-SERVICE MEN

Mr. MACKENZIE (Vancouver):

1. Has the attention of the government been directed to cases of blindness now developing amongst ex-service men as a result of being gassed during the war?

2. If so, will the government consider the advisability of establishing a specialized medical section of the Department of Pensions and National Health to develop preventive and curative measures as far as possible in such cases?

Mr. SUTHERLAND: I can answer this question shortly. The attention of the government has been directed to the possibility of this being the case and they are quite willing to do everything possible that is necessary under the circumstances.

QUESTIONS PASSED AS ORDERS FOR RETURNS

BRITISH COLUMBIA RELIEF CAMPS

Mr. MACKENZIE (Vancouver):

1. How many relief camps are there at present in the province of British Columbia?

2. How many single homeless men are there at present in such camps?

3. What was the total cost of operating such camps in 1934?

4. What are the main divisions of such total costs and percentages thereof under headings of food, clothing, supervision, etc.?

5. What is the average per diem per capita cost of operating such camps?

Mr. STEWART (Leeds): Return tabled herewith.

TRADE SPECIALISTS

Mr. BOULANGER:

What is the number, classifying them by trade as much as possible, of the labourers, tradesmen, foremen, managers, superintendents or directors of factories who have been admitted into Canada in the capacity of specialists in their trade, and for the reason that such specialists were not available in Canada, since the 7th of August, 1930, to date?

QUEBEC FEDERAL AGRICULTURE EMPLOYEES

Mr. FAFARD:

1. What are the names, addresses and the duties of the employees of the federal Department of Agriculture, in the province of Quebec?
2. What is the salary of each?
3. What are the names of those who are bilingual?

Mr. WEIR (Melfort): Return tabled herewith.

BRITISH COLUMBIA PUBLIC WORKS

Mr. HANSON (Skeena):

1. How much money was appropriated for public works, under the Building and Construction Act of 1934, for the province of British Columbia?
2. What contracts have been let to date, what are the names and addresses of the respective contractors, the amounts of their contracts, the nature of the work and locations of said works?
3. What work has been done by day labour, at what rate of wages per hour in each instance, and at what places has the work been done?

LAND SURROUNDING LÉVIS, QUE., FORTS

Mr. BOULANGER:

1. Has the government received offers from private individuals for the rental or purchase of land surrounding the three forts at Lévis, Quebec?
2. If so, from whom?
3. For what amounts?

QUEBEC HARBOUR COMMISSION

Mr. CASGRAIN:

1. What amount has been voted to Mr. O'Meara, chairman, and the two commissioners of the Quebec harbour, in lieu of automobiles taken away from them in the month of August, 1932?
2. What amount was paid for repairs to the Packard automobile used by Commissioner LeBlond, from January, 1932, to August, 1932, either in paint, accessories, mechanism, tires, etc.?
3. How many gallons of gasoline and oil were used from January, 1932, to August, 1932?
4. How was the sale of the Packard automobile used by Commissioner LeBlond made?
5. What amount was paid for same by Commissioner LeBlond?
6. Was the difference in the price of the licence from August, 1932, to February, 1933, reimbursed by Commissioner LeBlond?

[Mr. H. A. Stewart.]

7. Has the insurance to the amount of $363 been reimbursed by Commissioner LeBlond?
8. Since August, 1932, what quantity of gasoline has Commissioner LeBlond received from the commission?
9. What amount was voted to Commissioner LeBlond for a voyage to Saint John, N.B., on the 27th February, last?

Mr. DURANLEAU: I think this question should stand as an order for return and I shall table the information received from the harbour commission.

PENSION APPEALS

Mr. MULOCK:

1. How many appeals for the granting of pensions or for increased pensions of ex-service men remain unheard?
2. If any, how many of the said appeals have been pending for the following lengths of time: (a) three to six months; (b) six to nine months; (c) nine to twelve months; (d) over twelve months; (e) over eighteen months; (f) over twenty-four months?

EX-SERVICE DISABILITY PENSIONS

Mr. MULOCK:

By what amounts have payments on account of ex-service men's disability pension been reduced during the fiscal years 1931 to 1934 inclusive, by reason of, the discontinuance of 6,851 pensions: (a) by reason of death; (b) all other causes?

Mr. MULOCK:

By what amounts have payments on account of ex-service men's disability pensions been reduced during the fiscal years 1931 to 1934 inclusive, by reason of 30,245 pensions being reduced during that period: (a) by reason of death; (b) all other causes?

WAR VETERANS' ALLOWANCES

Mr. MULOCK:

By what amounts have payments on account of war veterans' allowances been reduced by reason of 2,130 war veterans' allowances being discontinued during the fiscal years 1931 to 1934 inclusive: (a) by reason of death; (b) all other causes?

Mr. MULOCK:

By what amounts have payments on account of war veterans' allowances been reduced by reason of 929 war veterans' allowances being reduced during the fiscal years 1931 to 1934 inclusive?

FARM INDEBTEDNESS

Mr. FERLAND:

1. How many persons own and operate farms in each of the provinces of Canada?
2. What is the total municipal assessment in each province?
3. What is the total amount of mortgage debts on farmers' lands, in each province?

4. How many farmers have borrowed under the Canadian Farm Loan Act, in each province, during the past four years?

5. What amount has been loaned under the said act, in each province, during the past four years?

Mr. BENNETT: I think this question might stand as an order for return.

FARMERS' CREDITORS ARRANGEMENT ACT—QUEBEC OFFICIAL RECEIVERS

Mr. LAFLECHE:

What are the names of the official receivers appointed in the various judicial districts of the province of Quebec, pursuant to the Farmers' Creditors Arrangement Act, and what is the postal address of each and the name of the county where they reside?

Mr. RHODES: Return tabled herewith.

MOTIONS FOR PAPERS

DOCTOR DAIGNEAULT

Mr. GAGNON:

For a copy of all documents, letters, telegrams, memoranda and reports, exchanged and submitted between the Department of Agriculture and the different offices of the said department in Montreal, Ottawa, and elsewhere, and any other persons, from July 1, 1930, to February 1, 1935, relating to Doctor Daigneault, an employee of the Department of Agriculture in Montreal.

GRANDE RIVIÈRE, QUE., PUBLIC WORKS

Mr. BRASSET:

For a copy of all accounts for materials, including stone and iron, and of the paylists in connection with work done by the Department of Public Works at Grande Rivière, Gaspé county, during the years 1932, 1933, and 1934.

AGRICULTURAL IMPLEMENTS

PROPOSED ROMOVAL OF CUSTOMS DUTIES TO REDUCE PRICE TO FARMERS

Hon. CHARLES STEWART (West Edmonton) moved:

That, in the opinion of this house, the best interests of Canada demand that the burden of customs taxation be lessened on the instruments of production in the agricultural industry and to this end, farm implements and machinery should be free from customs duties.

He said: Mr. Speaker, it is not my intention to detain the house at any length on the introduction of this motion. I think however it would be of interest to recite briefly the history of customs duties as applied to farm machinery, and to point out their detrimental effect upon the farming industry of this country. I do not think there will be any disagreement with the statement that agriculture is the most important occupation of the Canadian people. Nearly half the population of Canada are engaged in agriculture, and if agriculture is not prosperous no industry in the country can be prosperous. Those statements I think will go without challenge. Agriculture has been considered Canada's basic industry, and without giving hon. gentlemen opposite undue credit, all political parties, including hon. gentlemen in the corner, have repeatedly made statements of that character in this house and on the public platforms of the country.

Then I think I am safe in saying that at no time, at any rate since the days of confederation, has agriculture suffered more severely than it has during the past three or four years. I think the anxiety exhibited by the government at this session to try to meet this situation is evidence that they too realize the serious situation in which the agriculturists of Canada find themselves. I do not for a moment agree that the remedies which the government seek to apply are going to bring the necessary relief to agriculture; on the contrary I think that some of their policies are responsible for conditions in which the farmers now find themselves. So far as I have been able to discover there has been no time when there was a wider spread between prices in the secondary industries and agricultural prices than there is now. I am not going into a discussion of tariffs at this time, there will be opportunity for that at some other time. But the effect of the excessive protection granted to secondary industries in the session of 1930-31 has been to widen the spread between the prices of agricultural products and of industrial commodities to an extent never before experienced. Consequently, the prices of goods that the farmers have to purchase in order to carry on their business are far out of line with the prices obtained for the products of the basic industries, and while that statement is true of perhaps all basic commodities it applies in the highest degree to those of agriculture.

This has been an acute political question in Canada ever since I have been interested in politics. Going back to the days of Sir John A. Macdonald—that is a considerable distance—I well remember his enunciation of the national policy; that in the interest of the industrial life of Canada it was necessary that secondary industries be given some protection from products of competing industries outside. At that time the farm machinery business was assisted, if it can be called assistance, by increased tariffs for its protection.

In those days the manufacture of farm machinery was well distributed in the old province of Ontario in which I was then living.

Many of our little towns grew up as a result of the manufacture of farm machinery, and became prosperous communities. Farm machinery is essential to the life of the farm, we are forced to buy it, we cannot carry on our avocation without it. But gradually through the application of that protective policy its manufacture has become concentrated, and the amalgamation of the manufacturing companies has taken place. That was the beginning of the difficulties we are experiencing to-day, not only in connection with the manufacture of farm machinery but also in almost every other avenue of secondary industry. We have had the concentration of wealth and activity, through combines and combinations of those engaged in these industries, in large centres, and gradually the small towns have been deprived of these industries. That is true of other industries as well as the manufacture of farm machinery, and it is becoming even more apparent to-day. I believe implicitly that the application of high tariffs for the protection of these industries has been one of the primary causes of this situation, and has resulted, as it must result, in communities like Toronto, Montreal and other cities growing until they became very large centres of population.

What has been the result? Undoubtedly excessive taxation has been imposed upon these manufacturers in the large cities, because invariably as population increases taxation and living costs go up. I do not believe, for example, that an artisan in the Massey-Harris plant in Toronto can live as cheaply to-day as he could when basic commodity prices were at almost the same level that we find them now. Living costs are higher largely as a result of his residence in communities of this character. I am willing to admit that costs have gone up a little, but the farmer has received no appreciable return for his increased costs in this connection. During the past two or three years he has received the lowest prices known in this country, except in the period from 1890 to 1893. I have a very good recollection of the prices of farm commodities at that time, and they compare rather favourably with the prices of to-day.

Excessive tariffs in connection with secondary manufacturing industries were applied during the regime of Sir John A. Macdonald in order to encourage and protect infant industries, and we were told at that time that as soon as these industries were on their feet they would not require this protection. I believe the statement made at that time by the Conservatives who imposed these tariffs was quite true, as I think it is true to-day, but what has been the result? Not imperceptibly but gradually these combinations have grown and have spread into every avenue of secondary industry in the country while the farmer, despite his efforts at organization and cooperation, finds himself, so far as price levels are concerned, in the position he occupied back in 1890. There does not seem to be very much hope for him. We see his markets being closed daily, and why? The answer is obvious. If we do not buy we cannot sell, and his hope of widening his market and raising his price level does not seem to be very bright either now or for the future. Undoubtedly during the next decade at least we will have a surplus of farm production in this country; no one will deny that. You cannot take half the agriculturists of Canada and tell them they must cease the production of wheat, of cattle or of dairy products, the three most important items of farm production in Canada. No one will deny that this country was made prosperous by the very fact that we did produce these commodities in abundance, and were able to sell them. Hon. gentlemen say we cannot sell them now, that we cannot go into prohibited markets, that we cannot enter markets with higher tariffs than we have, that we are being shut out. Certainly we never will go into any market unless we are prepared to take goods in exchange, and in my opinion that is the rock upon which my hon. friends opposite are wrecking the ship of state to-day.

I should like to take a moment or two to point out the price spread now existing in order to show how it varies with the application of excessive tariffs. Taking the year 1926 as 100, in 1930 farm products stood at 82·3, while manufactured goods were 87·3. In 1931 the price level of farm products dropped to 56·3, while manufactured goods were 74·8. In 1932 farm products dropped again to 48·4 with manufactured goods dropping also, but only to 69·8. In 1933 there was an improvement, and in fairness I must say that there was an improvement again last year, although I am not in possession of the figures. In 1933 farm products went up to 51, but there was a corresponding increase in manufactured goods to 70·2. My argument, Mr. Speaker, is that unless you keep the spread much smaller than is indicated by the figures I have quoted you are bound to have difficulties in the agricultural industry.

Let me give a little personal history, and I will speak only of the years 1907 and 1908. In both those years I was employed as a

salesman for the Massey-Harris Company. Wheat in western Canada was selling at 90 cents a bushel for No. 1 hard. We were not getting an excessive price for our wheat. Cattle were bringing about five cents a pound and dairy products were reasonably priced. I was able to sell, and the farmers were able to buy, a Massey-Harris binder for $160 cash, and I am sure any farmer in this house will agree that a Massey-Harris binder of that day was very little different in its construction, its weight, or the contents entering into its manufacture, from the binder of to-day. Corresponding prices prevailed for all the other tillage machinery. It is true that during and after the war prices of farm machinery went up tremendously, almost as high as they are to-day. I do not want my hon. friends to think for a moment that I am going to blame the Conservative government for those increased prices, nor can they blame them on the Liberal party. I simply wish to quote facts in connection with the manufacture and sale of farm machinery. The explanation given at that time was that due to the terrific losses incurred by the farm machinery companies during the war and to the excessive cost of labour, they were forced to increase prices. But, Mr. Speaker, you will agree with me that we as agriculturists were in a much better condition to buy, because we had a corresponding price level in the goods we had to sell. During that time, immediately after the war, I sold wheat for $2.40 per bushel. Naturally in those days we did not have the difficult conditions we have to-day. I mention these facts merely to show the exact situation.

I bring the resolution forward to-day for this, among other reasons, that in almost every other line of manufacture there have been drops in the selling prices of goods. Perhaps in some lines there have been slight increases, but generally speaking, with the single exception of farm machinery, the price of goods has dropped. I am not permitted to discuss a matter before the price spreads commission but I believe you would permit me, Mr. Speaker, to observe that the statement made before that commission only a few weeks ago by the representative of a firm manufacturing farm machinery did not lend very much hope to the agriculturists of Canada, and gave them no reason to believe there would be any reduction in the prices of farm machinery. Surely the time has come—in fact, I say the time has long since passed—when there should be a reasonable reduction. The purchaser of an automobile can go into the market to-day and purchase a product much better constructed than the car that was offered in 1926 or 1927 and containing about the same amount of material. I believe hon. members will agree with me that the purchaser of that automobile would enjoy a 30 per cent or 40 per cent reduction, as compared with the prices obtaining in the years I have mentioned. I use this illustration because it more nearly corresponds with the manufacture of farm machinery. A few moments ago I quoted the price of a binder in 1908, and may I say that that price of $160 continued with very little change up until the time we entered the war. What are we asked for the same implement to-day? We are offered a product almost identical in construction, containing no more material than in former days, and are asked well over $280. Hence my desire to bring this matter to the attention of the house.

Then, I have one other reason for speaking at this time. May I observe in passing that I believe the government has done very well, so far as the farmers in the drought stricken areas of western Canada are concerned. I believe they are to be commended for their action. I must say however that they have made a tremendous expenditure of money. Tremendous expenditures have been made for the relief of other agriculturists who are not in circumstances quite so unfortunate, but who, despite all that may be said, are very rapidly approaching bankruptcy. I am not so familiar with the situation in the east, but I believe western members will agree with me when I state that in western Canada we cannot carry on very much longer with our old implements. I defy any hon. member to go to a farm of any size in western Canada which has not long since passed the stage where it should be replacing worn out implements. They are not being replaced, and for the very good reason that the farmer cannot buy them. This year, next year and in following years if the farmers are to till their land at all and if they are to carry on business they will have to buy heavily. It seems to me that by insisting upon excessive prices which they ask of the farmers both in eastern and western Canada the implement companies are standing in their own light. Those farmers are the least able to pay, and I have not hesitated to make that statement.

It may be that hon. gentlemen opposite have in their minds some scheme whereby they will regulate the industry. I do not know about that. Even if the duty were taken off to-morrow I do not believe it would make very much difference to the farm machinery companies. They are so well

organized that they are pretty well beyond control, and some other means may have to be taken to control prices. I am willing frankly to admit that. But why does the government persist in leaving those companies behind a 25 per cent tariff which results in placing a burden, and an extreme burden, upon the purchaser? Do not be misled by the statement that on every occasion they do not add the protection. If hon. members wish to have evidence as to that may I point out that the year before last the government put into effect an increased duty on parts. We were buying parts, for the very good reason that we could not afford to buy new machinery. But the moment that order went into effect, up went the price of parts to a point just within the amount of protection afforded. I am asking the government to consider the possibility of removing the duty. It may be that they will have to take some other step, but I can assure them that the added burden of the high cost of machinery will finish the job of breaking the backs of our farmers. If some change is not made there will be bankruptcy right and left.

I do not believe the help extended to the manufacturers of farm implements has done them any good, beyond that of maintaining prices. An investigation of the figures showing the result of the application of duties on farm implements indicates that those duties do not tend to give employment, as hon. members opposite fondly hoped they would. Naturally that must be the result, because they are not doing the business. The following table which I have secured from the bureau of statistics will I suggest serve to indicate it cannot be claimed that by the application of the policies adopted by this government we have helped the employees or the implement companies.

Agricultural Implements Industry

	Employees	Salaries and wages	Gross value of production
1930	7,405	$9,564,069	$26,902,139
1931	4,471	4,997,732	11,175,404
1932	2,758	3,097,975	5,510,078
1933	3,039	3,047,501	5,326,416

The fact is that the business is not to be had. The objection I take is that the manufacturers do not need and never did need the protection they are being given. They were always able to compete. It is a well known fact that farm machinery was sold in Germany and in foreign countries cheaper than it was sold to the Canadian farmer. I do not say that condition exists to-day, because I doubt if there is very much exportation of farm machinery at this time. The farmers feel they should have some relief along these lines, and for that reason I have brought the matter to the attention of the house hoping that there is foundation for the rumours I have heard—probably one should not listen to rumours—to the effect that hon. members opposite are about to change their minds in this connection, and that there is to be a right about face. I hope it is true, because they will have my unqualified support if it is, and that there will be some relief afforded by way of reduction in the duties on farm machinery and the implements of production of other basic commodities. That is to be devoutly hoped for. So far as this particular industry is concerned, looking back at its history and conditions at the present time, for the life of me I cannot conceive that it requires any protection of any sort. I have presented the facts, Mr. Speaker, as briefly as I could, and as I understand that other hon. members are to speak on the motion, I now leave it to the judgment of the house.

[Mr. C. A. Stewart.]

Hon. E. N. RHODES (Minister of Finance): Mr. Speaker, at an earlier stage of the session in dealing with a matter touching our relations with another country I put forward the suggestion that it is not the part of wisdom to deal with matters touching our relations with another country when we are in the midst of negotiations with that country. On that occasion my remarks were construed in some quarters to emanate from fear or a feeling of subserviance. As a matter of fact there is nothing further from my mind and nothing could have been further from the mind of the government. The attitude of the government with respect to its full right to take such action as it may deem proper in the interests of Canada in its relations with other countries was plainly manifested by the action that it took in the autumn session of 1930, when there was no hesitation on the part of the government in taking such action by means of the tariff as the government thought wise, and without reference to any repercussions elsewhere. Furthermore, similar action was taken following the empire conference when the agreements were implemented in the autumn session of 1932.

What I had in mind at the time was that to deal with matters which would have a repercussion in another country when you were not in negotiation with that country was one thing, but to do so while you were in the midst of negotiations was an entirely different thing. If the action was in any sense adverse it might very well be regarded as a matter of sharp practice. On the other hand, in disturbing the status quo that existed at the time you entered the negotiations you disturb the situation to the detriment of one party or the other, and I submit that under those conditions you do not make for that happy approach to the problem which ought to be the approach of two parties seeking to effect an agreement which is mutually advantageous.

Having said so much, I do not lean upon the circumstance that my hon. friend from West Edmonton (Mr. Stewart) in one of his opening remarks indicated, but from another angle altogether I say that it is not the part of wisdom to go into this matter at this time. In one of his opening sentences my hon. friend said: There will come a time when we can discuss tariffs fully. May I submit that while my hon. friend from West Edmonton is entirely within his rights in moving this resolution, he has moved it with reference to a specific article and at a specific time. I submit in all deference that apart from the earlier question which I raised, the proper time to deal with matters of this kind is on the budget, when we are dealing with tariff items.

But there is another consideration. My hon. friend from Antigonish-Guysborough (Mr. Duff) has upon the order paper a resolution in very similar terms dealing with the subject of fish, and in the votes and proceedings of to-day there is a notice of motion in similar terms to be moved by my hon. friend from Frontenac-Addington (Mr. Campbell) with respect to the mining industry; and we might go on seriatim. As a matter of fact there would be nothing to preclude every member of the house from moving a specific resolution with respect to every item in the tariff—all to no purpose as far as the accomplishment of the object they had in mind was concerned, and certainly it would impede the business of the house to a very marked extent.

I hope this remark will not be misunderstood. I do not say it in any censorious spirit, but my hon. friend from West Edmonton in the earlier portion of his remarks referred to the circumstance that this has been a political question for many years. It has. But there are two types of political questions. There is the political question in the narrow or party sense, and there is also the more important political question in the wider or national sense. I do say this, that while it may be good party politics to deal with this subject in this manner at this time, in all deference I say that it is poor national politics to do so when it has reference to a trading position concerning our relations with another country.

For the reasons I have indicated I do not propose to deal with the merits of this question. If it is thought desirable that that should be done at this session, it could be done on the budget. Much less do I intend to traverse the ground that has been covered by my hon. friend from West Edmonton, and my reasons will be apparent when I move the amendment to the resolution which I now move without further discussion. I move, Mr. Speaker:

> That all the words after the word "that" in the first line be struck out and the following substituted therefor:
>
> In view of the negotiations now in progress between Canada and the United States with the object of effecting a trade agreement between the two countries, this house is of opinion that public discussion of the rates of duties on the instruments of production in the agricultural industry is untimely and inadvisable.

Hon. IAN MACKENZIE (Vancouver Centre): Mr. Speaker, I rise to a point of order. I submit with deference that the amendment is completely out of order. It consists of two portions. One is a complete and direct negation of the motion that has been moved by my hon. friend from West Edmonton, and the second portion purports to give reasons for that negation. Now, although it mentions the reason for the amendment I submit that the reason given, the negotiations now proceeding, is no justification for an amendment by way of negation to a resolution properly moved.

Mr. RHODES: Mr. Speaker, may I submit that this amendment is not a negation. It amends the original resolution and calls for an expression from the house that at the present moment we should not take certain action with respect to a certain subject. I do not propose to traverse the ground because I submit the amendment conforms entirely to the definition of an amendment which says that an amendment must amend. We do amend by leaving a portion of the original resolution and we alter the sense of the expression of the house with respect to the subject matter by the character of the amendment itself.

Mr. STEWART (Edmonton): I do not rise to speak to the amendment except to say to my hon. friend that if it will assist the discussion, which is bound to follow if this motion is declared in order, and if the Minister of Finance believes that it will be detrimental to any negotiations pending to continue the discussion, we are quite willing to forego our desire for a discussion at this moment, and we will move the adjournment of the debate.

Mr. RHODES: I appreciate exceedingly the suggestion made by my hon. friend and I think he is approaching the matter in the spirit in which I think it should be dealt with and in which I should desire to see it approached, from the point of view of the public interest. Of course, the amendment would not preclude discussion; the debate could proceed. It is not necessary, so far as that point is concerned, for His Honour to give an immediate ruling on the point of order; but I submit, in view of the suggestion made by my hon. friend, that of necessity, in our negotiations with the United States, we shall be dealing with tariff items which must have reference to the numerous articles which would in all probability be covered in a discussion of these various resolutions dealing with these matters. And in the nature of things, if discussion must be had upon it, it would be far wiser to have it after these negotiations had been concluded than it would be to prejudice their successful conclusion in advance. It does not preclude the matter being fully discussed by parliament and such action being taken as might be deemed best; but it does, I suggest, in the national interest, cause us to pause and ask ourselves whether it is wise for us to negotiate, as it were, with respect to certain articles in the open market place under these conditions. It would be good judgment, I think, bearing in mind the circumstances that there will be plenty of opportunity, on the budget or otherwise at a later stage, to discuss the matter, not to continue the discussion now.

Mr. STEWART (Edmonton): It is our desire on this side of the house to assist the government in every way possible. We reserve the right to be critical, of course. That is our right, and we have a perfect right to place on the order paper motions that are in order and to discuss them. That we intend to do. At the same time, if the minister feels, as he has just now announced, that it will be prejudicial to any pending negotiations which will be of benefit to the Canadian producers—at least, I should hope they would be—then I am content to ask my seconder to adjourn the debate; that is, on the understanding that the minister withdraws the amendment.

Mr. RHODES: It would be competent to adjourn the debate, with the amendment attached. It is not necessary to dispose of it now, but I am content to accept the suggestion of the hon. member for West Edmonton (Mr. Stewart) and withdraw the amendment, reserving the right to move it again, on the understanding that the debate on the main motion be adjourned at the present time.

Mr. LAPOINTE: How can this matter be discussed on the budget if this motion and the amendment are on the order paper?

Mr. RHODES: There need not be any difficulty on that point, because if it is deemed wise to discuss the matter at that stage we can have the order discharged, and I should be content to have that done, bearing always in mind the main consideration of which I have spoken, namely, the question as to the status of the negotiations at that time.

Amendment withdrawn.

On motion of Mr. McKenzie (Assiniboia) the debate was adjourned.

MOTOR VEHICLE ACCIDENTS

PROPOSED AMENDMENT AND RECONSTRUCTION OF FEDERAL LAWS TO PROVIDE FURTHER SAFEGUARDS

Mr. T. L. CHURCH (East Toronto) moved:

In view of the very rapid and appalling number of accidents, deaths, and injuries, on Canada's highways from motor vehicles;

And whereas many recommendations and resolutions are being passed by judges, magistrates, coroners, and grand juries, and the press all over Canada calling for reforms and action by parliament and for more drastic regulation and legislation to safeguard the public;

And whereas these annual losses are a direct challenge to modern civilization and social and industrial society;

Therefore be it resolved, that, in the opinion of this house an adequate inquiry and survey as aforesaid should be made immediately with a view this session to a rewriting and reconstruction of existing federal legislation, and to have clauses placed in the criminal code to help check and stop this great loss of life.

He said: The object of this resolution is the same as the purpose of a bill which I introduced in the session of 1929-30, to amend the criminal code, having regard to the terrible loss of life on the highways of this country.

In my opinion there should be a department of transport in Canada. Six years ago in Great Britain a committee of both houses of parliament was appointed to study the same question over there and they sat for three sessions, going fully into the matter, with the result that a ministry of transport has been established. There they have been introducing some reforms. It seems to me that, in view of the wide stretch of territory in the provinces, there should be a dominion department for the whole country, because we have at present many provincial departments dealing with this question and the laws are all different, as are the returns. No united effort is being made to cope with the question.

No one of independent mind will doubt for a moment that the condition of motor traffic in Canada on our highways is as discreditable to this country as were the effects of prohibition in the United States, which led to such politics and lawlessness in that great country. I submit that this problem of motor statistics must be approached with an open mind, and I doubt whether any hon. member in this house has examined the statistics as they should be. If he did he would be horrified at the disclosures. No doubt hon. members have studied the problem, but I do not think that generally speaking they appreciate its importance. If we do not look at the facts with an open mind we are not likely to see the truth in its real gravity.

It is one of the commandments of God that no one shall kill or do murder, and there is a second commandment with respect to one's duty to one's neighbour, and these commandments have been violated. So there is the question of selfishness. Pope says "Worth makes the man," and human life should be respected on our highways. Many men of real worth, through selfishness and carelessness, have violated the laws not only of God but of man as well in motor slaughter. No other invention has contributed more to the education, pleasure and enjoyment of the people than has the motor car, but its use is one thing; its abuse is another. As with every great invention, use and abuse are two distinct things. During the past century scientific discoveries in medicine, preventive medicine, chemistry, biochemistry and physics have resulted in untold good to humanity, but the abuse of some of these discoveries, for instance in chemistry, biochemistry and physics, has in war proved a curse to mankind, and so to-day the abuse of the motor car is a curse to humanity. On looking into this question one finds that it involves terrible annual losses in deaths, accidents, injuries and financial losses as well. It causes untold sorrow and suffering, intense pain and grief exceeding anything the human imagination can conceive. The only evils which have equalled it are plague, pestilence and famine, battle, murder and sudden death. When I read in the papers of the terrible occurrences on our highways I begin to doubt whether I am living in a Christian country, and the same applies to England and the United States because the deaths that are caused are unjustifiable homicides. I have seen in some of our homes the widows, the orphans and the fatherless suffering and they cry out to this parliament to do something to relieve this situation. Disasters of this nature happen in every constituency in this country. I am not here to decry the motor car industry. It would be misleading and mischievous to attribute all the blame for all the ghastly horrors that are occurring on our highways to those who drive and use motor cars, but pretty nearly fifty per cent is due to motor car owners who misuse their cars. There is no dispute about this because facts are facts and one has to study the records to know the facts. As I study the record of thousands of cases of deaths in this country I am driven to the conclusion that beyond dispute a large portion of this is to the discredit of motor car owners. This small minority appear to have exploited for their pleasure or profit the generous tolerance of others by using their cars in an irresponsible, careless, cruel, and, I might say, unchristian way. Their fault is grievous and they can have no ground for complaint if they are to be put under further restraint so far as the criminal code is concerned. Ignorance and thoughtlessness are but small palliation. Obedience is the only reparation they can make and it is long overdue.

I should like to quote what the late Chief Justice Meredith of the common pleas division said while addressing a grand jury at the assizes at London. He had been forty years on the bench and one of the ablest judges; he presided over more jury trials in Ontario than any other judge. The present provisions of the criminal code are inconsistent. Everyone knows that sections 284 and 285 of the code, which for some years have been the law of Canada with regard to motor accidents, are too uncertain and inconsistent to secure a verdict in any court in this country. Justice Meredith said in charging the grand jury:

> And as now nearly everyone is a car owner and car driver, young and old of all sorts and conditions, it is difficult to get justice in even a civil action. Car-driver-jurors have nearly all the speed fever; and self preservation instincts are so strong that they will not be

persuaded to decide against drivers who have been no more unlawful than they themselves often, if not commonly, are.

What then is the remedy? I think it should be: make the laws plain and reasonably severe and enforce them; and cancel licences freely.

And at the other end of the matter: Give no licence to anyone who is not proved to be mentally and physically, and from experience and a knowledge of the highway laws, thoroughly capable.

As I say, it would be far better if this were entirely a federal problem. All we can do here is to put sections into the criminal code. That is the trouble with the British North America Act. No problem in Canada can be solved as long as that act remains in its present state. As I said in the house the other day, it is nothing but a passing-the-buck act; that is all it ever was and ever will be. We want the British North America Act for the living and not for the dead.

One feature of this particular scandal of the slaughtering on the highways of this country of men, women and children is the general public indifference to the matter. Apart from the official collection of data on the subject, efforts to check the evil are a glorious fiasco; the net result is indifference. I find it hard to explain this. The people seem to lack interest. Human life on our highways should be sacred.

May I refer for a moment or two now to three countries: the United States, England and Canada. In the city from which I come the number of people knocked down since the first of the year would fill up the whole House of Commons, two hundred and forty-five seats. I have seen people knocked down on the streets of my city. I was chairman of the board of police commissioners of Toronto for seven years and a member of the council for seventeen years, and the enforcement of traffic takes up about sixty per cent of the time of the police force, leaving about forty per cent of the men to look after protection of life and property in their ordinary duties to protect society. That shows how acute this problem is. In the newspapers one sees a great deal about a trial down in New Jersey in connection with a terrible tragedy involving the kidnapping and death of a young child, with all its sorrow and grief to a splendid family and all its advertising on both sides of the line. In the United States in five years 125,000 people have been killed and nearly 4,000,000 people injured on their highways. Twice the number of people killed in the war in the United States expeditionary force have been killed on the fine highways and roads they have in that country.

[Mr. Church.]

I see the Minister of Justice (Mr. Guthrie) in the house; he has been most capable in trying to secure through his department relief for this problem. A return entitled Highways and Motor Vehicles in Canada, prepared by our bureau of statistics, shows the different provinces have different laws and administer them with varying degrees of strictness. We have the returns in better shape than have the provinces, but the figures do not tally; they put some people in as injured who have afterwards died. This shows the necessity for a federal department.

I pass now to England, which is supposed to have the finest highways in the world for tourist traffic. In England in the last five years 34,484 persons have been killed and 973,782 injured in accidents on their roads. As the years pass by the tendency is for the evil to increase, notwithstanding the great amount of attention directed to it, unless a drastic reform is brought about in that country. They have had a committee of both houses studying the problem for weeks and months, and the committee brought down a recommendation as to measures that should be taken for the protection of the public. The first duty of a government is to look after the health, safety, peace and prosperity of its people. If a foe invaded this country we would not sit around talking about it but would mobilize all our resources and equipment to drive the invader out. At the battle of Queenston Heights only eighteen men were lost, while in the city I come from sixty-four were killed last year alone, almost four times the number killed in the battle of Queenston Heights. The tables indicate that in England there is an annual slaughter of seven thousand, and two hundred thousand more are maimed. Such a situation is intolerable to any sane and civilized nation. Yet it has been going on for more than a decade. I have here the figures for the years 1929 to 1933:

Year	Number killed	Number injured
1929..	6,696	170,917
1930..	7,305	177,895
1931..	6,691	202,119
1932..	6,667	206,450
1933..	7,125	216,401
Totals.. ..	34,484	973,782

I have been impressed with the fact that with the rapid increase in the number of motor vehicles in the past ten years there has been an accompanying increase in the number of accidents. Yet one finds little or no interest in the matter among motor drivers. It is said that accidents are inevitable, we

are told they are the outcome of modern progress and the desire for speed. It seems that everyone has got the speed fever except the House of Commons, and probably the Senate, although they wake up and get the speed fever in the last week of the session. As Chief Justice Meredith said, we live in an age when everything is on the rush. You go down the street and you see a sign, "One Minute Lunch." Something is needed to strike the imagination of the people, to make them realize what is going on. For instance the figures I gave relating to England for the five years equal forty-seven per cent of all the men killed in the great war on the British side, almost half of all the men of the British expeditionary force killed on land and sea and in the air. One of the leading reports to both houses of parliament in the transport cases says that the number of injured would suffice to line the route from London to Bournemouth in ranks two deep on each side, and to furnish driver and guard to every bier in a funeral procession which would occupy the whole route in double column; and there would still remain two armies of twenty thousand each, to take care of strategical points. The same report also stated that a modest estimate of the personal damage inflicted in the five years would be well over £50,000,000. A situation such as this calls for united effort from the church, the press, parliament, the legislatures and boards of trade and chambers of commerce and all public bodies. The privation and sorrow, the broken lives and shattered homes resulting from such a holocaust are just as real as at the time of the nation's supreme trial in the war. They are hidden and suffered in silence, but how long will that continue to be so?

There are three features that appear to dominate in the conduct of motor traffic, namely a domineering indifference to the convenience of others, excessive speed, and congestion. Ever since man learned to direct a machine more powerful than himself he has asserted his superiority of force over his neighbours. "Make way or take the consequences" has been his cry. Yet this indifference to others is limited to a small number of motor drivers. The motor leagues of the provinces make the same complaint, it is a small number out of the large body of drivers who transgress, ninety-nine per cent of them respect and obey the law. The majority of motor drivers have only a hazy knowledge of the mechanism of their machine, yet if perfect control is to be assured the only condition in which a car is fit to be driven at thirty miles an hour is perfect adjustment and condition. Even so the machine is potentially as dangerous as a loaded gun and must be handled with equal care and vigilance. A moment's inattention may be fraught with dire results. Every motor vehicle is a dangerous implement even when controlled by the most expert, and requires incessant vigilance in all circumstances, especially at speeds above thirty miles an hour. Intense congestion on the roads, especially in the large towns and on main roads during holidays, has greatly increased the risks for all users of the roads.

In France there are 3·9 motors per mile of road, in Germany 6·3, in the United States of America 8·8, and in England, 13. As the bulk of the traffic is concentrated about the large towns the density in those neighbourhoods is still greater.

Coming to Canada, I just had time to look at one province in particular. Ontario has the largest number of motor vehicles, and I think the returns would surprise any hon. member. The figures show the ages of the deceased and of the person who caused the accident, the month, day and hour at which the accidents took place and many other features. A study of such returns would enable legislation to be improved. I shall not weary the house by going into them at length; as I say the records should be studied. In Ontario in one year there were 9,241 accidents and 525 deaths. More than twice the number of members of this house were killed in Ontario in one year. Six accidents resulted in death to one or more persons; thirty-four accidents resulted in injury to one or more persons. More than half the accidents in this province occurred in cities, but less than one-third of the fatalities resulted from accidents occurring in cities. The king's highway accounted for 32·8 per cent of all fatal accidents and for half of the deaths resulting from the 9,241 accidents in Ontario. The accidents were divided as follows: In cities, 5,160; in towns, 518; in villages, 99; on the king's highways, 2,049, and on township roads, 515. Of the deaths 165 occurred in cities, 37 in towns, 16 in villages, 172 on the king's highways, 77 on cement roads and 58 on township roads. Of the 9,241 accidents 5,777 occurred on urban roads and 3,464 on rural roads. Of 4,159 accidents studied in Ontario, 881 resulted from speed too fast for road and traffic conditions; 1,069 from driving on the wrong side of the road; 663 when the driver did not have the right of way; 240 from cutting in; 50 from passing a standing street car; 40 from passing on the curve of a hill; 30 from passing on the wrong

side; 141 from a failure to signal; 22 from cars running away, and 1,023 from drivers going off the travelled highway.

From this study it will be seen that approximately 67 per cent of all accidents reported were attributable to drivers. Driving on the wrong side of the road, driving off highways, driving too fast and cutting in were the main causes. Of 2,989 cases I investigated the causes were as follows: Crossing at street intersections with signal, 75; against signal, 105, and where there was no signal, 350; crossing between intersections, 559; waiting for or getting off street cars, 97; standing in safety zone, 4; getting on or off vehicles, 58; children playing on street, 884; men at work on highway, 76; riding or hitching on vehicles 63; walking on highway, 143; coming from behind parked vehicles, 286; crossing highway, 129, and while on the sidewalk, 107. In my own city of Toronto the other day one of our leading business men was walking along the street; a car ran up on the sidewalk and knocked him down, and he was killed instantly. It will be seen from the figures I have given that one of the greatest causes of accidents is the practice of letting children play on the street, or allowing children to dart from behind a parked car or cross between intersections. Where there are no sidewalks pedestrians generally walk on the left side of the roadway, facing the traffic, and accidents are fewer. Poor visibility is also a contributing factor to many accidents.

Then just a word as to the time when these accidents occur. The peak of all accidents on highways is from five to six o'clock in the afternoon, and about twenty-five per cent of the accidents occur between five and eight o'clock in the evening. By the days of the week accidents are evenly divided from Sunday to Friday, with a sharp rise on Saturday, especially in the summer time. There are more accidents on Saturdays and Sundays between six and seven o'clock in the evening, while pedestrian accidents are more frequent on urban roads on Saturday. These accidents occur more often on rural roads on Sundays, while during the summer the greater proportion of the accidents occur over weekends. The late Mr. Justice Hodgins, in his report on compulsory insurance, recommended compulsory, adequate and uniform methods of accident reporting; the collection and analysis of accident and traffic statistics; the study of accident causes and trends, and of traffic problems and regulations. What he meant was that the acquisition of knowledge must be the basis of intelligent regulation. He urged the following reforms:

(a) Education, embracing definite causes of accidents, and the need of preventive action on the part of the individual, and of law enforcing.

(b) A better means of observing and aiding the effectiveness of various restrictive measures.

(c) Better attention of highway employees on existing highways and their connections.

(d) Safety education and advertising, by advertising billboards, and safety teaching especially in primary and secondary schools, teaching the rules of the road and safe driving to those of the children who are approaching or who are of driving age, and maintaining and endeavouring to stimulate public interest in the accident situation.

The 9,241 accidents, resulting in 525 deaths, occurred during the following months:

	Accidents	Deaths
January	462	17
February	411	30
March	380	22
April	626	36
May	839	42
June	857	55
July	877	36
August	1,022	72
September	973	57
October	1,026	55
November	821	56
December	947	45

These accidents occurred at the following points:

Street intersections	3,084
Detour streets	2,442
Rural intersections	358
On straight road	2,103
Private driveway	239
Curve	465
Hill	277
At level railway crossing	157
On bridge	115
Not stated	1

In 98·5 per cent of these accidents road conditions were said to be good. More than half of all accidents occurred during daylight; 8·7 per cent occurred at dusk and 34·4 per cent at night. Of the drivers involved in 13,336 accidents in Ontario, 12,561 were male and 775 female. The ages of the drivers in these accidents were as follows:

Under 18 years	273
18 to 24	2,492
25 to 54	6,097
55 and over	642
Not stated	3,832

The experience of the drivers involved was as follows:

Less than 3 months	168
3 to 6 months	135
6 to 12 months	65
1 year or more	8,651
Not stated	4,317

The condition of the drivers involved was as follows:

Intoxicated	137
Physical defects	13
Extreme fatigue	49
Normal	13,137

The fact that 98·25 per cent of the drivers were reported normal at the time of the accident suggests that accident causes are mainly mental rather than physical, and the need of sobriety when driving cannot be too strongly urged especially now that in Ontario we have so many beverage rooms. Many firms who see the hazard of mental and physical fatigue limit the daily mileage and hours of work of their drivers. If private drivers would follow this example accidents would be fewer, and I believe there should be a federal law to this effect. In the nine years from 1923 to 1931 there were 3,654 fatalities in Ontario. In 1931 there were 571 fatalities, classified as follows:

Motor vehicle drivers	122
Motor vehicle passengers	152
Pedestrians	255
Motor cycle drivers	15
Motor cycle passengers	5
Bicyclists	18
Other persons, and drivers of horse drawn vehicles	4

Two types of accidents occur more frequently than others, that is, collisions with pedestrians and collisions between motor vehicles. It is very evident that the human element is the preponderant factor in motor vehicle accidents, and education must be largely depended upon to improve the situation. Transportation should be a means to an end and not, as has become fashionable now, an end in itself. When it is remembered that there were over 200,000 accidents in England, with more than 6,000 people killed, I think it will be agreed that it is time for legislation. I think the time has come for this parliament to have a survey made of the whole situation, and I would advocate such a step being taken. I am only speaking as a private member, but I have seen the horror of mothers and little children when men have been brought in from the morgue, and something should be done. As I have said, we should have a federal department to deal with this problem, a department which in Canada has been long overdue. How we have managed thus far to get along without one I do not know.

There is one other feature to which I should like to refer. Mechanical road transportation is bankrupting the great Canadian railway systems and exterminating legitimate and highly economic horse transport, not on its merits, but because it has rendered the public highways unfit for horses. Mechanical road transports and aerial transports are enormously subsidized, not only by the public at large but by those competing forms of unsubsidized transport which are being reduced to bankruptcy by subsidized competition on the roads, by the increase in their rates, and taxes for the reconstruction and maintenance of the roads.

Millions of tons of heavy goods are being moved uneconomically by foreign oil, instead of economically and without the aid of public funds by British and Canadian coal. Few people will dispute that the foregoing evils have very definitely attached themselves to the post-war world of transport, and few will regard it as an exaggeration to describe as chaos the state of affairs that is developing under our very nose. How are we meeting the situation, which will soon reach the state of emergency? Stated shortly, we will meet it by experiments, palliatives and increased road subsidies. Each interest involved advances proposals which will leave their own particular interests unaffected even though they are not definitely advanced. Thus we have the clamour for more and bigger roads, involving countless millions of dollars in construction and future upkeep. Some go so far as to advocate the conversion of certain railway tracks into motor speedways. Others urge the compulsory dismissal of all but motor vehicles from the public highways, and as a cure for the growing congestion and rising death rate an increase of speed and the removal of all restrictions. Others again suggest an increase in traffic signallers, and even a special traffic police force at the expense of the public, so that the regular police may attend to their proper duties.

I urge that we should have a federal department, because we are competing with our own national railways. I suggest the law in point is set out in sections 285 and 286, and the amendments made in 1930 have created greater doubt than ever before. It is almost impossible to convict a man to-day. One may go out on the highway, kill a man with his motorcar, and after the trial walk out of the court scot free. Judges and juries are complaining, and I believe the time has come when we must give some protection to the people of all the provinces in the dominion. If some action is not taken we will continue to have these thousands and thousands of people killed, or wounded and placed in hospitals. Now is the time to take the action I have suggested. Due to the loss of life for which motor traffic has been responsible,

together with the personal injuries and damages which have been suffered and the financial losses sustained I say that we have in this motion one of the most important problems of these days.

In the session of 1930 I introduced a bill to bring our law in line with the law of the United States, and particularly that of the state of New York. In that state they have an offence known as involuntary homicide and I suggested we should accept their law. Even a person operating a car may not have been altogether liable, and although the man who was killed may have contributed to the accident, the driver of the car may be convicted of this offence, and for the past ten years the offence of involuntary homicide has been known in the state of New York. Under the penalty he may be forbidden to operate a car not for fifteen or twenty days, but for two or three years. In that state they are trying to do something to curb this long list of motor fatalities.

It may be that the government would not consider sending this matter to a house committee. We have very capable ministers who would do well to take notice of the report which I now hold in my hand. This is the report of police officials in Canada, and is signed by General Draper of Toronto, Chief Joliat of Ottawa and Mr. Barnes of Montreal, together with Inspector Grant of the provincial police in Toronto. This report contained in thirty pages makes suggestions which would be sufficient to cope with the situation. If a house committee has not time to consider the matter I suggest a royal commission could be appointed and instructed to make findings regarding this problem.

In my native city of Toronto I have been in homes when the bodies of bread winners have been brought in, and I have witnessed the suffering of the women and children. The bread winner may go out in the morning to attend to his work, and before six o'clock he may be brought home or be lying on a slab in the morgue. No wonder the city of Toronto has had to enlarge the city morgue. Then we must consider the expense to which the municipalities are being put to enforce traffic regulations. Sixty per cent of the time of police officials is taken up in the enforcement of traffic regulations. I live in a residential district where we do not have occasion to see many policemen—it may be because we are law abiding people—but it is altogether possible that those policemen are doing their duty on traffic work. Hardly any time is left for the enforcement of other laws and for protecting the life and property of the people of the city.

[Mr. Church.]

In this House of Commons we have to-day a government of reform, a progressive government, a government which is ready to get down to business, and ready to get a new deal for the average man. I should like to hear where the Liberal party stands on this particular question, and it would be interesting to know how hon. members in the corner of the chamber receive this resolution. Steps should be taken to protect the life of the average citizen. I am not here to attack the motor industry; I am a protectionist of protectionists. I believe the motor industry is a credit to our country, and has made a great contribution to the general education of our people. But the abuse of the privilege of operating motor cars has resulted in one-half of one per cent of the people on our highways going out and committing murder, because that is all it is. It does not make any difference how the man is killed; he dies, anyway. What is the difference whether he dies from a motor car accident or from a pistol shot fired by a burglar; he dies, anyway.

We are twenty years behind the time in our laws respecting motor cars, and we are suffering the penalty. I am of the opinion there should be some reforms in our jury system; about one-third of the jury should be women. I believe they would be more competent than some of the men I have seen on juries. The time has come for jury reform. Women may now sit in the high court of parliament and in the Senate. Probably the Senate would be the proper place to consider this matter. Certainly the Senate in Washington got some relief from many of the evils. The matter should not be left to over-worked cabinet ministers who sit on the front benches, and who are working day and night to relieve the situation under which our people have been placed.

Since 1930 this government has been investigating the problems affecting the people. The Minister of Justice (Mr. Guthrie) has been most active, and so has the Prime Minister (Mr. Bennett). I have been asked to bring this matter before the House of Commons, and I promised three or four widows in my constituency, after seeing the condition in which they had been placed, that I would place the matter before this chamber, as I did on former occasions in 1928, 1929 and 1930.

Hon. HUGH GUTHRIE (Minister of Justice): Mr. Speaker, the speech which has been delivered by the hon. member for East Toronto (Mr. Church) is a tribute to his industry and public spiritedness. I am glad he has seen fit to bring to the attention of the house the appalling situation which has existed

for a number of years throughout the world in regard to accidents upon the highways of various countries. I sincerely trust his remarks and the statistics he has placed before hon. members will come to the knowledge of the attorneys-general of the various provinces of the dominion, in order that they may study the situation in the light which the hon. member has pictured it to-day.

There can be no doubt the situation is serious beyond words, and we regret that in each succeeding year it becomes more serious. In every civilized country the question has been carefully studied with the view of improving the alarming situation. But it is rather disconcerting to learn that notwithstanding all the efforts which have hitherto been put forth, the record of accidents shows an increase rather than a decrease. Fortunately or unfortunately there are limitations placed upon this parliament in regard to dealing with such matters, and as the hon. member for East Toronto (Mr. Church) has very pertinently pointed out, practically the only remedy which can be applied by this parliament is in regard to enactments in the criminal code. All highway traffic in Canada is directly under the control of the various provinces of Canada, but the punishment of offences which are in the nature of crime is under the jurisdiction of this parliament. I waited patiently through the remarks of my hon. friend from East Toronto to see if he had a practical suggestion to offer for the amendment of the criminal code in respect to negligence or in respect of accidents arising from the result of negligence in regard to highway traffic, but the only suggestion I gathered from his language was that the various clauses of the criminal code should be stiffened up, as he put it, and that a new system should be introduced whereby women should be permitted to serve upon the juries. Well, these suggestions are worthy of consideration, but I may tell my hon. friend that in other countries where experiments have been made in increasing penalties under the criminal law beneficial results have not followed. Unfortunately, notwithstanding the heavy penalties imposed in various countries, the record of accidents shows a substantial increase year by year.

The provisions in the criminal code in my judgment are fairly adequate at the present time, but I do not believe that such accidents can be greatly lessened by penal legislation. I believe the only improvement that will ever come about will be by a process of education. That is the view taken in the United States by many men who have made a close study of the question, and that is the view of the committees in the British House of Commons. We know that a campaign of education in regard to motor traffic is going on at the present time in various countries in the world. They utilize moving pictures for the purpose; they utilize sign-boards for the purpose; they also deliver lectures for the purpose; but at the present time this educational process has not produced any very marked result.

The criminal code in this country provides by section 284, which was cited by my hon. friend from East Toronto:

> Everyone is guilty of an indictable offence and liable to two years' imprisonment who, by any unlawful act, or by doing negligently or omitting to do any act which it is his duty to do, causes grievous bodily injury to any other person.

That is a very broad and general section, applicable to all kinds of negligence which causes grievous bodily harm to any person, and the penalty prescribed is a penalty of two years imprisonment. Does the house think that if the penalty were made five years imprisonment or ten years imprisonment it would improve conditions on the highways? I doubt it very much.

The next section of the criminal code is 285. This pertains particularly to motor car traffic. It provides a penalty of two years imprisonment in the case of anybody who is found guilty of wanton or furious driving, or racing or other wilful misconduct, or who by wilful neglect, does or causes to be done any bodily harm to any person, and subsection 4 of this section is the one which is so frequently before our courts. It provides additional penalties for anyone in control of a motor car who is intoxicated or under the influence of any narcotic drug.

I have heard it argued that these penalties should be increased, some people say up to life imprisonment. We have a clause in the criminal code which permits a charge of manslaughter to be laid in case of accidents through negligence which result in death. In any case where in the opinion of the crown prosecutor the facts are such as to warrant an indictment for manslaughter, that indictment is laid under the present law as it stands under the criminal code. But in many cases crown prosecutors feel that it would not be proper to lay a charge of manslaughter where the facts in regard to the accident or the happening would not warrant such a charge. When a man is charged with manslaughter and found guilty of the offence judges in our country have a very wide discretion as to the sentence which they may impose. A man may be convicted of manslaughter and the judge may fine him a shilling or send him to penitentiary for life.

There is a very wide discretion left to our judges in that respect, but under sections 284 and 285 which I have just read to the house the charge is not one of manslaughter but merely one of criminal negligence, and under sections 284 and 285 the majority of charges are laid in regard to highway accidents. It does not require the death of the unfortunate person to found a charge under sections 284 or 285, but if death ensues, charges may be laid under these two sections where the penalty is only two years' imprisonment. Would it, in the opinion of the house, serve any useful purpose to increase these penalties? I doubt it very much. I would not be adverse to trying it out, but I am told that in certain parts of the United States where the penalties have been increased there has been a constant increase in motor car accidents, and so it has proved in England. They have tried in Great Britain to remedy the situation by alteration of the speed limit laws; they have permitted the speed limits to be increased and decreased, but year by year the accidents increase, notwithstanding the changes that have taken place in the law. It is for that reason that I am rather driven to the conclusion that only by a process of educating the public, by teaching motor car drivers the use of care and caution and the courtesy of the road as it is called, will any improvement eventually take place.

It is appalling, it is worse than appalling, to contemplate the number of deaths that are taking place every year in our own country from motor car accidents—550 deaths in the province of Ontario from motor car accidents last year. It is appalling, and some remedy must be found for a situation of that kind. But when one has regard to the fact that all traffic laws are under the jurisdiction of the province, that all the licensing of motor car drivers is under the jurisdiction of the province, that all questions of speed limit, crossing regulations and the like are under the jurisdiction of the province, there is not much which this parliament can do save by increasing the penalties under the criminal code.

We have done what we can in investigating the causes of accidents. The statistical branch of this government has gathered very valuable statistics in regard to accidents on Canadian highways, and I assume it was from this report that my hon. friend quoted to-day. The railway department is carrying on a very serious investigation in regard to accidents at railway crossings, but their jurisdiction is limited in that respect. Then in those provinces in which the Royal Canadian Mounted Police have any authority, in the six provinces in Canada where they are entitled to operate, they make a very close study of the question of motor car accidents and highway traffic; but in the provinces of Ontario, Quebec and British Columbia that force has no such authority. If I thought that any good would result from an investigation before a committee I would welcome the proposal in this resolution that this matter go to a committee. I cannot see anything that this parliament can do save to amend the criminal code, but if any practical suggestions are made for an amendment to the code I shall be glad to consider them with the idea of including them in an amending bill this session. I must say however that my hon. friend from East Toronto (Mr. Church) has not advanced in concrete form any suggestion for amendment to the code which to my mind has any practical value. I should like the discussion to continue however. Something may develop upon which we may seize before the discussion is concluded. I am quite open to receive all suggestions for amendments to these motor traffic clauses of the criminal code if any satisfactory amendments can be suggested.

Hon. CHARLES MARCIL (Bonaventure): I quite agree with what the Minister of Justice (Mr. Guthrie) has said, but from my observations I am inclined to think that the first thing to be done is to stiffen the law as regards automobiles crossing at level crossings, because that is where the greatest danger lies. We read of accidents to buses carrying children to and from schools and carrying workmen. The other day in British Columbia a number of workmen comprising a relief gang were travelling in a bus which was struck by a passing train. These accidents happen daily.

Mr. GUTHRIE: That is where the provinces pass laws.

Mr. MARCIL: But is there no possibility of placing in the code some provision that will make it an offence for anyone in charge of an automobile not to stop at a crossing? That is where the difficulty lies at the present time. If you could compel people to stop at these crossings, if you could compel them to observe the law, the number of accidents would greatly diminish.

Hon. R. J. MANION (Minister of Railways and Canals): This question, as the hon. member for Bonaventure (Mr. Marcil) indicates, trenches upon the railways, but I do think that the proposal which he brings forward is entirely provincial. At the present time the province of Quebec has a regulation which

provides that motorists shall stop at railway crossings, and I assume that the enforcement of that injunction is in the hands of the province. So far as I know, that is the only province in which there is such a law.

I think the hon. member for East Toronto (Mr. Church) deserves the appreciation of the house and its support for this resolution, because the loss of life not only in this country but throughout the world is appalling in consequence of motor traffic, whether the vehicles are privately or publicly owned. The other day I observed in the press that the number of deaths in the United States in the past year was, if I remember rightly, 33,000. That struck me at the time, because I happened to remember that in the battle of Marengo, Napoleon had 30,000 men. In other words, his entire army was 3,000 less than the number of people who had been killed in the United States in one year in motor accidents.

I wish to make just two observations which may be of interest to hon. members, because this whole question concerns us all. These observations refer to level crossings and to the interprovincial conference which was held in Ottawa a year ago at my request to consider questions relating to motor traffic. Let me first discuss the question of level crossings, because after all a great many accidents take place throughout Canada at these level crossings, of which there are about 30,000 that have neither an overhead bridge nor a tunnel. This dominion in 1909 instituted the level crossing fund, to which the dominion government has been contributing $200,000 per annum, a fund which is administered by the board of railway commissioners, its purpose being to assist in the elimination of level crossings. Unfortunately, for the first few years of its existence, very few cities took advantage of the fund, with the result that a considerable sum accumulated. Suddenly however cities throughout the country learned about the fund—apparently they had not previously been aware of its existence—and they began to apply in such large numbers that to-day the fund is over-spent, or over-promised if I may use that term, so that $200,000 per annum is found inadequate. Since this government came into power it has twice advanced increases. In 1931 we advanced an additional $500,000 towards the fund, under the unemployment relief legislation and in 1932, we advanced another $500,000.

Mr. SPENCER: What percentage does the federal government contribute towards these undertakings?

Mr. MANION: There is no fixed percentage; it depends on the allotment made by the board of railway commissioners after inquiry. They can give up to forty per cent and as high as $100,000, but not higher than that sum, for one elimination. The amount used to be $25,000 up to 1929, and then it was raised to $100,000; and it is since the allotment has been raised to the latter figure that the fund has been found to be inadequate. Twice since this government has been in power we have increased the allotment by $500,000, making an extra allotment of $1,000,000, and the government is seriously considering at the present time, at the request of the Prime Minister himself, increasing the allotment this year.

Mr. HANSON (Skeena): Does the application come from the provincial government or from the cities?

Mr. MANION: It may come from the province, but more usually it comes from the municipalities and sometimes from one of the railway companies. The application then goes before the board of railway commissioners, who adjudicate upon the matter, allotting so much to be paid by the railway company, so much by the city and so much by the dominion government from the railway grade crossing fund.

The other point I wish to touch upon has reference to the interprovincial conference of December a year ago.

Mr. COOTE: Is the dominion government empowered to make an advance to help to pay the cost of electric warning signals?

Mr. MANION: Yes; that is all taken into account in connection with the elimination of level crossings, and in some instances the fund has paid the whole cost of the wigwag system. Some of these undertakings have unfortunately run into considerable costs in some cities, such as Toronto, London and Hamilton. Some of the amounts are very considerable and this has tended to consume the fund.

The other point to which I wish to refer —and this is as much for the information of hon. members as for any other purpose—is in regard to the conference held in December 1933, a conference which was called at my request, after consultation with the railways, to deal not so much with accidents as with the whole question of motor traffic as it impinges upon the transportation situation in Canada. The conference dealt largely with

common carriers rather than with the private car, though it is true that so far as passenger business is concerned, private vehicles, both in this country, in the United States and England, do interfere more with traffic on the railways than do public motor conveyances. At that conference the nine provinces were represented, and as anyone who has attended an interprovincial conference knows, it is not easy to get the nine provinces to agree unanimously on any subject. We did, however, succeed in having a series of nine resolutions passed, all unanimously, dealing largely with these common carriers. I will read four of the resolutions, which are very brief. They were submitted from this conference back to the provinces themselves in the hope that the provinces would put them into effect inasmuch as they come within provincial jurisdiction.

Mr. MACKENZIE (Vancouver): Were the provinces represented by ministers or by expert engineers?

Mr. MANION: Nearly all the ministers of highways from the various provinces were present, and for the most part they brought experts with them. The conference was quite successful; we had a very fine attendance and a good cooperative spirit was shown. The four resolutions which I shall read are as follows:

3. This conference endorses the principle that common carriers of persons and property shall be suitably insured.

That would not particularly assist—in fact it might do the reverse—in checking the accidents spoken of by my hon. friend, but at any rate it would take care, at least to a certain extent, of the financial worries of people who were left as dependents of persons who were killed.

5. The conference recommends that legislation be enacted limiting the mileage or hours of labour of operators of passenger vehicles.

That is merely to prevent what was occurring on the public highways to a certain extent, that is drivers from being compelled to drive for sixteen, eighteen, or sometimes a greater number of hours without proper rest.

6. The conference agrees that, in the interests of public safety, a standard of fitness should be required of all public vehicles used in the transportation of passengers.

7. This conference agrees that operators of public passenger vehicles should require a medical certificate of physical fitness to operate such vehicles.

[Mr. Manion.]

Since those resolutions—there were three others that have not so much bearing upon the resolution of the hon. member for East Toronto and I shall not read them to-day—were passed, it was our desire that the provinces should enact them and place them upon the provincial statute books. In some cases this has happened. I have not a complete report because at the time it had been the intention of the government to have another interprovincial conference last autumn, when this subject would again be discussed by provincial representatives who would come here for the purpose. But as the house knows, the interprovincial conference which was to have been held last autumn was suspended or postponed, for various reasons which I shall not discuss at the moment. The chief reason I mention these resolutions to-day is that in view of the serious loss of life, the serious damage that has been done to even the morale of the people of this country, I think it is the duty of all of us as members representing the different constituencies in Canada to educate the people of our own sections in this important matter and also to impress upon the various provinces the advisability of putting into effect some or perhaps all of these resolutions which were unanimously passed by the provincial representatives last year.

Not only would the putting into force of these resolutions have the effect of lessening the number of accidents at least to a certain extent, as is obvious from the terms of the resolutions, but it would also have the effect of putting upon a more nearly even basis the competition between motor vehicles on the one hand and the railways on the other. No one realizes more fully than do hon. members the very serious problem of the railway situation in Canada. One of the great causes of that railway problem is the fact that there is such a heavy competition between motor buses, motor trucks and private automobiles on the one hand and railways on the other, and the fact that motor competition has been carried out on a basis, to a certain degree, of unfairness to the railways, inasmuch as railway rates, operations and schedules are all regulated by the board of railway commissioners, whereas on the other hand motor traffic is not so regulated. These resolutions were passed to some extent for the purpose of giving, by their enforcement, a fair deal to our great transportation systems in Canada, because this country could not possibly get along without transportation by railway.

I have nothing further to add. Again I say that I think the hon. member has done a public service in bringing such a question as this before the house. We sometimes discuss questions which to my mind are of less importance than the one he has brought up.

Mr. ELLIOTT: How many level crossings have been eliminated in Canada in the past year?

Mr. MANION: I cannot give the figures offhand, but I shall be glad to have the information for my hon. friend the next time my estimates come up; perhaps to-morrow.

Hon. J. C. ELLIOTT (West Middlesex): While the minister is in his seat, there is just one other point I want to mention and that is the matter of the elimination of accidents at level crossings. The minister will remember, as no doubt other hon. members will, that on at least two prior occasions I have urged that it would be advisable as part of our employment relief scheme to do anything that could reasonably be done in certain districts to eliminate some of the more dangerous level railway crossings. I think in every section of the country we have had our attention called to very serious accidents at such crossings. The hon. member for Bonaventure (Mr. Marcil) has directed attention to some such accidents that have happened in Quebec. Last year I called attention to a serious accident that happened in the county of Elgin at West Lorne. Unfortunately these were not exceptions to the rule; many accidents of the kind occur. I think the regulation in effect in Quebec with regard to requiring all motor vehicles to come to a full stop on coming to a railway crossing is a very sound one.

Mr. BENNETT: Did they not repeal that?

Mr. ELLIOTT: I was not aware that they had.

Mr. CASGRAIN: It is still in force.

Mr. ELLIOTT: I know the practice prevails in Quebec; you see practically every motor vehicle stop as it comes to a railway crossing. Unfortunately in some of the other provinces we do not follow the rule very well. In connection with the conference with the nine provinces I was wondering whether the minister could tell us whether the question of a uniform law of that kind throughout the different provinces had been discussed and what the attitude of the various provincial representatives was toward that subject if it came up.

Mr. MANION: I do not think that question came up. I believe it is worthy of discussion.

Mr. ELLIOTT: It is a very serious question. I urge particularly upon the Minister of Railways (Mr. Manion) and the Minister of Labour (Mr. Gordon) that as part of our unemployment relief scheme, or under whatever heading the Prime Minister (Mr. Bennett) and the members of his government may see fit to have some regulation made, something be done to eliminate many of the more dangerous level crossings that still are altogether too numerous throughout Canada and make a greater contribution to motor vehicle fatalities than any one other cause.

Then there is the question referred to by the Minister of Justice (Mr. Guthrie) with regard to amendments to the criminal code. Of course that is within federal jurisdiction. The other matter is under provincial jurisdiction. I refer to the question whether the minimum penalty is large enough. I do not think anybody will argue that the maximum penalty as now provided by the criminal code is not a proper one, and perhaps the best evidence of that is that very few judges give anything like the maximum penalty. In saying that I am not criticizing the action of the judges, but a minimum penalty of practically nothing where a jury has found a man guilty of manslaughter is a very mild penalty for the offence. I am sorry the Minister of Justice is not here in the chamber at the moment; I was wondering if his department were considering the advisability of increasing the minimum penalties provided in the act. This is a most important question, and I think the house should appreciate the efforts of the hon. member for East Toronto (Mr. Church) in bringing it up and submitting the mass of data which he has collected.

Hon. W. D. EULER (North Waterloo): I do not suppose, Mr. Speaker, that the provinces, which after all are in control of highway traffic, would thank the members of this house for offering them any advice in regard to a matter that is within their jurisdiction. I gather from the discussion that perhaps the only points with which the federal government could deal are the penalties provided under the criminal code for negligence in cases of automobile accidents and in respect of accidents which take place at railway crossings. I am sorry I did not hear all that was said by the hon. member for East Toronto (Mr. Church), but it occurred to me that it would be well to know the relative percentage of accidents taking place at railways crossings and on highways generally. I judge that the number of accidents in general traffic on the highways must be much larger than those at railway crossings.

With regard to what the Minister of Railways (Mr. Manion) said as to the contributions made by the federal government towards the elimination of level crossings, I would say that the sum of $200,000 a year is utterly inadequate to have any appreciable result—

Mr. BENNETT: We increased it to $500,000, and as Hon. Mr. Dunning pointed out when he was Minister of Finance, no one seemed to want to go ahead with the elimination of grade crossings.

Mr. EULER: I did not know that the amount had been increased to half a million dollars. But in view of the fact that we have, as the Minister of Railways stated, some 33,000 level crossings in Canada, even half a million dollars is almost negligible for the substantial elimination of those crossings. In my own city of Kitchener, we have a level crossing of the Canadian National railway which practically, though not entirely, cuts through the heart of the city, where traffic is quite congested between the two towns of Kitchener and Waterloo. To eliminate that crossing alone would require literally hundreds of thousands of dollars. I have sometimes suggested that its elimination be undertaken largely as a matter of giving employment, but as the municipalities are required to pay a substantial part of the cost they simply cannot afford to do it in these days. I think I can say to the Prime Minister (Mr. Bennett) that that is one of the reasons why the municipalities are not taking advantage of the amount that is placed at the disposal of the board of railway commissioners for that purpose.

Mr. BENNETT: They did not do it before the depression.

Mr. EULER: Even before the depression the municipalities were pretty hard up. When the tax rate goes up to 42 mills, as in my town, they cannot spend much in that way. For my part I should like to support a larger appropriation for that purpose.

To my mind the chief causes of highway accidents are two—and here perhaps I am going into the provincial field. First there is excessive speed, and in that regard I refer not so much to the passenger automobile as to the buses. I know on the main highways in my district buses will pass the ordinary automobile and run at fifty to fifty-five miles an hour. It has been a marvel to me that with these cumbrous vehicles operating on our roads in Ontario we have not had more accidents than we have. They are exceeding the speed limit all the time. I often wonder why the authorities in my province permit these buses to operate at speeds much in excess of the speed of the ordinary automobile and of the limit fixed by the law. In Quebec there is a regulation that all automobiles must stop at railway crossings. In Ontario we have that law with regard to buses. I have a suspicion, however—perhaps I shall be corrected by my Quebec friends—that in that province as far as passenger automobiles are concerned, that rule is more honoured in the breach than in the observance.

Mr. CASGRAIN: Oh no, it is not.

Mr. EULER: Then I shall correct my statement; I speak only from a very limited experience.

Another main cause of accidents on the chief travelled highways in my province, and I believe this applies perhaps even more in Quebec, is that the highways are too narrow and have too many curves. The trouble as I see it, and I do a good deal of driving, is the practice of cutting in. If the highways were wide enough to enable three cars to run abreast, many of these accidents would be eliminated. Of course we come there to the question of expense; our provincial and county and city authorities will have to decide whether it is worth while to spend the amount necessary to widen the highways so as to make them safe, as compared with the loss of life that takes place. I do not flatter myself to the extent of believing that what we say here is going to have any appreciable effect on those really in control, that is the provincial authorities. Be that as it may, certainly the prevailing loss of life and injury is to be deplored. I believe I have stated the chief causes of accidents, namely speed, especially on the part of the buses, and the narrowness of the highways, which leads people to try to cut in, not realizing the speed at which the car from the other direction is approaching.

Mr. I. D. COTNAM (North Renfrew): For a number of years the loss of life as a result of automobile accidents on the highways has been appalling. Seeking the causes, it has seemed to me that in Ontario we have been altogether too easy-going in issuing drivers' permits to irresponsible persons. Many of the people who get these permits are young boys and girls; it is not at all unusual to find boys of sixteen and seventeen years of age driving automobiles. Most of them know nothing about the mechanism of the automobile, and permits are issued without adequate examination to discover whether or not the holders are capable drivers. That has been my observation in our part of the country, and I think it is true of most sections of the dominion.

It has seemed to me also that for a number of years past the Minister of Highways in Ontario has been doing too much cajoling and coaxing of the public to observe the Highway Traffic Act. It would appear that the time has come when he should take off his kid glove and use the iron fist a little. When a driving permit is issued the recipient should be handed a copy of the Highway Traffic Act and made to understand that he is supposed to know its provisions and is responsible for observing the rules of the road. The situation has become so serious that I think any word spoken in this house or any action that might be taken that would help in any way to strengthen the hands of the provincial authorities would receive consideration, and the penalties should be made even more severe than they have been in the past.

To my mind the licence of the man who is caught driving a car while intoxicated should be cancelled for at least a year, if not longer. Many individuals do not mind a fine of $10 or $12 when they are caught breaking the motor vehicle law; some of them do not even care if they have to go to gaol for a short period, but they do not want their permits cancelled. I have thought many times that if a man is guilty of causing injury or damage by an accident on the highway, instead of imposing a nominal fine which may not bother him very much his permit might be cancelled for three or six months. Then he would take a very serious view of the situation. If after his permit is renewed he is again caught breaking the law, his permit might be cancelled more or less indefinitely. I think by doing so we would go a long way in preventing many of the accidents that are occurring at the present time.

It is a strange thing, Mr. Speaker, that even with the heavy traffic, the high powered automobiles and the high rates of speed, after all most of the accidents are due to the human element. I think if more drastic action were taken to enforce the highway traffic acts the accidents would become fewer. It is a common occurrence in most sections of the country to find horse drawn vehicles on the roads at night without lights, and the danger is exceedingly great when an automobile, travelling at thirty, thirty-five or forty miles an hour, comes on one of these unlighted vehicles without warning. Many trucks draw off the road just a little and then stop, and in many cases they have no warning light on the rear. Drivers who are travelling at thirty-five or even forty-five miles an hour come on these trucks without warning at all, and serious accidents result. So I believe a real enforcement of the highway traffic acts would go a long way towards eliminating many of the accidents on our highways. The feeling has grown among many operators of automobiles that it is not a very serious matter to break the motor vehicles act, that the sentence is light and does not amount to very much. When we see what has been happening all over this country, however, it would seem that the time has come when we must take more efficient steps to see that the acts in the various provinces are better observed, which will help us eliminate many of the tragic accidents that are occurring daily throughout this dominion.

Mr. MICHAEL LUCHKOVICH (Vegreville): Mr. Speaker, there are three types of drivers to whom I object very strenuously. The first is the road hog, the second is the intoxicated driver and the third is the habitual offender. I have had quite a good deal of experience with the road hog, and from my experience I believe that appellation is an insult rather to the hog than to the driver. Many times I have seen these drivers hog more than half the road, forcing other drivers into the ditch in order to avoid accidents. I think, with the last speaker, that possibly the best way to deal with these people is to report them and have their licences suspended.

I am also very much against the granting of licences to habitual drunkards. I believe many accidents have taken place because the drivers were addicted to strong drink. I know of accidents at cross roads in which both drivers were intoxicated, and in some instances both drivers were killed. I think perhaps our penalties are too light, and that if you made them more severe it might have a good result. I also believe that the penalty for a second offence should be much greater than the penalty for a first offence, and I heartily agree that the most practical way to deal with this problem is to suspend the licences of drivers such as I have mentioned.

Mr. J. L. BROWN (Lisgar): Mr. Speaker, the Minister of Railways (Mr. Manion) has stated that there are some 33,000 level crossings in Canada. I think it might be well to have an investigation made to decide how many of these crossings should be eliminated. In the prairie provinces there are hundreds of railway crossings which I do not think should be eliminated. If overhead bridges were built it would simply mean that in the winter time the snow would blow off and teams drawing sleighs would be unable to cross. If

subways were constructed they would fill up in the winter time, so in many cases I do not think it would be desirable to eliminate the crossings. Undoubtedly in many cities and communities throughout the country level crossings might be eliminated with great advantage, in order to afford the public a greater degree or safety, but I do not think that is the case on the prairies.

It has been suggested that all motor vehicles be required to stop at all railway crossings. I appreciate the fact that in the east, where sometimes the view of approaching trains is not very good, such a law might be very desirable, but it would seem rather absurd to enact a law requiring motor vehicles to stop at railway crossings where you can see right and left for miles. Here again I think some body might determine what are the dangerous crossings, and perhaps signs might be erected at such crossings calling upon the drivers of motor vehicles to stop, look and listen. I can imagine that if a general law were passed, applying to our part of the country, requiring drivers to stop at all level crossings, if some driver did not obey that law it might become the occasion for some vexatious prosecution. I think if we could decide on the level crossings it is really desirable to eliminate we would be able to approach the whole question with a little better knowledge.

I am in hearty accord with what has been said about the drunken driver. Further, I have had the experience described by the hon. member for Vegreville (Mr. Luchkovich) namely that of meeting a road hog who will not give any more than the very smallest part of the road to which one is entitled. If anything could be done to penalize a man who deliberately raced a train to the crossing, certainly it should be done. He is not only a fool but he is a criminal and should be dealt with with the utmost severity. By his foolish action he is risking not only his own life and the lives of the people in his motor vehicle, but the lives of the people in the train. I believe we would do well to make some of these matters subjects of investigation, and by doing so we would approach the whole problem with a better understanding of the facts.

Hon. FERNAND RINFRET (St. James): Mr. Speaker, I desire to say only a word on this resolution. It is evident that hon. members are agreed as to the principle involved. In my view the resolution is somewhat drastic and radical in its expression of opinion, and I am not sure whether or not we should adopt it in its present form. It seems to me that a complete inquiry into and survey of the matter is perhaps hardly necessary. There is no doubt however that although much has been done by way of education we have not yet reached a satisfactory state, so far as the motorists are concerned. In several of the provinces there are safety leagues which have done excellent work. We have one in the province of Quebec, and I have no doubt it has informed a large number of people of the necessity of being cautious on the road. Unfortunately however it has not succeeded in convincing a small minority of motorists who must be penalized and who do not exercise proper caution in the driving of their motor cars.

I agree with former speakers who state that a certain class of motorists should be severely penalized, and perhaps it would be possible to effect an amendment to the criminal code making the penalty more severe for the damage they cause. I do not wish to go over the arguments which have been presented, but may I observe that it might be worth while to have a more drastic application of the existing regulations. I believe it is within the knowledge of any public man, whether he be a member of the House of Commons or a city alderman, that the case most frequently brought to his attention is one where there has been a breach of some motor car regulation. Although this resolution deals with highways I believe by way of analogy one may allude to what takes place in the cities. Hardly a day passes in the city of Montreal when people in their offices do not receive calls not only from friends but outsiders who have been given notice by a policeman that they have been guilty of disregarding either parking regulations, regulations governing the operation of traffic signals, or some other traffic bylaws. We are asked to write letters or to make telephone calls in an effort to free them from the small penalties their offences merit.

For about two weeks last fall one would read in his paper every day that a pedestrian had been killed or that cars had collided. The press began to take notice of the situation and did very good work in bringing to the attention of public authorities the fact that accidents had become very frequent on the streets of our city. Municipal and provincial authorities gave orders to their officers to disregard any demands for clemency made by people who had not obeyed the rules. For a number of weeks motorists who through friendships or otherwise had been able to escape penalties had to pay them. The movement had the desired effect, and although it

may have been a coincidence the fact is that since that time we have had much better order in the handling of our motor traffic.

I believe the same principle might apply to the highways, and that this house might endorse the opinion that we should have more drastic application of existing regulations. My concluding observation will be that any person who has been in public life must know no favour is asked more often than the favour to free someone from a penalty he has incurred through his neglect to follow traffic regulations. I am not suggesting an amendment, but perhaps I may be pardoned for having added this small touch to the discussion. I would suggest that when we give assent to this motion we at the same time confirm the opinion that not only stricter regulations but more accurate application of existing regulations are needed.

Mr. G. G. COOTE (Macleod): Mr. Speaker, I wish to avail myself of this opportunity to urge the Minister of Finance (Mr. Rhodes) to see that ample provision is made this year for assistance to the grade crossing fund. In my constituency there have been several very bad accidents in which several people have been killed at grade crossings. Those accidents were in municipalities where there are twenty-four hour electrical services and where electrical warning devices might have been erected to save those lives. I have been told such a device may be installed at a single track crossing at a cost of approximately $1,800. Only last month a young man was killed in my constituency, and I am sure a warning device at the crossing would have saved his life. The accident occurred on a very cold night, when the side windows in the car were covered with frost, making it very difficult to see the approaching train. An electrical warning signal would have saved a life which, I know, would have been worth more than the $1,800.

I have taken this opportunity to urge the minister to see that ample provision is made for the grade crossing fund. There are thousands of level crossings where it is almost impossible to construct overhead bridges or subways, but where electrical warnings could be installed. The costs seem so reasonable that I believe they would be warranted, and especially in these times when we are attempting to create employment. At the same time we would be taking a precaution towards the saving of life and the preventing of accidents. Enough has been said on the resolution in connection with the enforcement of better conduct on the part of motor car drivers. I believe that is a matter with which probably the provinces will have to deal. I do believe however that this government might protect a great many level crossings where accidents have occurred in the past and are likely to occur in the future. I have in mind one crossing in my constituency at which, since I have been a member of this house, there have been several accidents and several people killed. I believe a proper warning device would have saved those lives, and if installed would prevent accidents in future.

Hon. ALFRED DURANLEAU (Minister of Marine): Mr. Speaker, I wish to thank the hon. member for East Toronto (Mr. Church) for having brought this resolution before the house. The number of accidents from motor cars in Canada is really alarming. In my own province of Quebec, if you go before our courts, especially in Montreal, you will find that half the time of our civil courts —I am not speaking of the criminal courts—is taken up in the hearing of cases arising out of motor car accidents on our highways and streets. I think this is a problem that deserves very careful consideration, and something should be done to reduce as much as possible the casualties on our highways and streets. There is no doubt that eighty per cent of accidents are due to the negligence of the driver, and in nine out of ten cases when two cars collide I would say that the accident was due to the negligence of both drivers. That has been my experience before our courts.

I was interested in the remark made by my hon. friend from North Waterloo (Mr. Euler), who stated that one of the causes of so many motor car accidents was the narrowness of our streets and highways. I think there is a great deal in that. In my own constituency, for instance, there is a well known road called the Chambly road, a section of the Sherbrooke highway leading to the Jacques Cartier bridge. You cannot go over that road at any time without seeing at least one or two motor cars in the ditches, five or six feet deep on both sides of the road. Why? Because the traffic is heavy on that road, and it is too narrow. This is a matter that deserves the attention of our provincial authorities. As a matter of fact I have drawn their attention to that state of things. I do not say this in any critical sense but only to indicate that our provincial authorities should see to it that proper roads are provided where there is very considerable traffic. I believe that in doing so a great number of accidents would be avoided.

I have nothing to add, Mr. Speaker, except to say once more that I am pleased my hon. friend from East Toronto has brought this matter before the house and given every member the opportunity to express his views on this question. What has been said to-day will be very useful both to this house and to the authorities in the different provinces in Canada on account of the publicity given to the debates in this house.

Mr. J. H. STITT (Selkirk): Mr. Speaker, before this debate closes I would like to express a few ideas that have occurred to me during the discussion this afternoon. I think every man who has had experience in the criminal courts recognizes that one of the reasons why we are not getting the number of convictions we ought to get in these criminal cases is because the law of criminal negligence has not been clarified. If the law regarding criminal negligence were clarified, there would certainly be more convictions under this portion of the criminal code.

I had the experience in an action for damages of proving that there was negligence and obtaining judgment for a large amount of damages, and then I had the experience of defending the man who was the negligent party in another action in a criminal case and he was acquitted. Now clearly there is something wrong in the law when we have an administration which says, on the one hand, that there has been an act of negligence, and on the other hand, that there has been no act of negligence.

Another idea that has occurred to me is that many of the judges sitting alone on a case of this kind are reluctant to make a conviction, and most juries, if you have a case in which you can evoke a certain amount of sympathy, will not convict. It has occurred to me this afternoon during the course of this discussion that an improvement might be worked in our jury system in regard to criminal cases arising out of automobile accidents, and I make this suggestion for what it is worth as the Minister of Justice (Mr. Guthrie) has asked for suggestions. Would it be proper to amend the law regarding criminal procedure in such a case so that the attorney general might ask the chief justice of the province to appoint a jury composed of county court judges and police magistrates? We would then not only protect the operation of the law from a too sympathetic judge or a too reluctant jury, but we might have a more reasonable administration of the law. This whole question of criminal negligence is one of the most vexatious questions that the courts have to determine.

[Mr. Duranleau.]

Another method that might be adopted would be for the government to ask the Supreme Court of Canada to pass upon the question as to just what amount of negligence constitutes a criminality in criminal cases. Any lawyer who has had any experience in the courts knows that any jury certainly, and a great many judges, have really not made up their minds as to just what degree of negligence constitutes criminality.

I think the suggestion which has been made for the passing of a dominion act providing that every operator of a motor vehicle should be forced to stop before coming to a railway crossing would have a most salutary effect, notwithstanding as has already been stated in the house, that it might leave room for vexatious prosecutions.

I do not think we should achieve anything by stiffening up the penalties in the code. The difficulty lies in getting a clarification of what constitutes criminal negligence and in getting an administration of the law that will be free from human frailty. It has struck me, in view of the appalling loss of life which is occurring in motor car accidents every year in this country, that this is a question of sufficient importance to be referred to the committee on industrial and international relations.

I must thank my hon. friend from East Toronto for bringing this resolution before the house. It is something that certainly can be improved by legislation, by changes both in the substantive law and in the law regarding criminal procedure.

Mr. CHURCH: Mr. Speaker, in closing the debate I want to thank the members of the house for the way in which they have received this resolution. The Minister of Justice has asked for practical suggestions by way of amending the criminal code. We have now before us the report of the Chief Constables' Association of Canada, the members of which include Chief Draper of Toronto, the police chiefs of Montreal and Ottawa, and representatives of the provincial forces, and they recommend amendments to the criminal code. One of the amendments which I think ought to be adopted is the one which is to be found at page 2756 of Hansard of 1930, which is the law of England. It provides in effect for dealing with anyone driving a motor vehicle or automobile under the influence of intoxicating liquor. This point was referred to by the hon. member for Lisgar and the proposed amendment in this regard he supported in 1930 when I had the matter before the house. I believe that the report of the chief constables' association and the

amendments I have suggested, as well as amendments with regard to those who are allowed to drive cars after they have killed someone, should all be adopted. I submit that we should create a new offence, involuntary homicide, and people of this class should not be permitted to drive a car for two or three years at any rate. Then there are those who drive without a permit; something must be done to deal with such people. Another matter which I have brought up before is the damage that results from accidents for which tourists are responsible. A tourist from the United States may kill a man, or he may injure somebody's car, and he gets bail and skips out of the country and civil damages cannot be collected. It seems to me that the law relating to bail should be amended.

This whole subject was discussed for two sessions in the old country, and when the general statutory amendments are under consideration I hope that the Minister of Justice will favourably consider the suggestions which are now before him and the many reforms that may be proposed. This is not a matter of law but one of policy, and no private members can furnish the facts. It cost a good deal of money in the old country to gather all the information for a proper report; thousands of pounds were spent summoning witnesses. It would be impossible for me, a private member, to deal at all adequately with a matter of this kind, which is one of policy, and one for all parties in this house to study. Moreover, the question ought to be taken up in the Senate. I have a letter from the chief of police in Hamilton who expresses the opinion that in the great majority of instances accidents are caused by carelessness on both sides, and he thinks that if the legal speed limit were enforced these accidents would be very largely eliminated. But so long as the demand for speed is not opposed but catered to accidents will continue.

As I have said, I am not opposed to the motor interests, for I believe that the responsibility is fifty-fifty. There are many people who have not been properly educated to show due consideration for others when they use the highways. The whole question is one that is very much involved. The Minister of Justice is willing to have it referred to the committee on industrial relations, but I doubt whether that committee can properly deal with a problem which, as I have pointed out, was under consideration in the British parliament for the space of two sessions. At any rate, it is a problem that has to be faced, whether now or in the future, and I do not think that the time of the house has been wasted to-day in the discussion that we have had. I am willing to withdraw the motion in the hope that the amendments that have been suggested will be placed before the Department of Justice with a view to having many of these reforms written into the code. In view of the discussion we have had this afternoon I am ready to report progress on the resolution, but I can assure hon. members that if I am returned to this house again I intend to continue bringing this question up session after session until the people are given some relief from the present intolerable condition. We must legislate against motor manslaughter and motor murder until it becomes less fashionable. I suggest that the government take the matter up in the recess in conjunction with the provinces and have an elaborate report prepared for presentation to parliament. When the criminal code is under consideration I shall suggest one or two recommendations which I brought forward in 1930, and in the meantime I beg to withdraw the motion.

Motion withdrawn.

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

92582—51½

Thursday, February 14, 1935

The house met at three o'clock.

UNEMPLOYMENT INSURANCE

ACTUARIAL REPORTS OF MESSRS. WATSON AND WOLFENDEN TABLED

Right Hon. R. B. BENNETT (Prime Minister): When the resolution with respect to unemployment insurance was being considered I indicated that the actuarial reports prepared by Messrs. Watson and Wolfenden would be available for the house. I found, when they were finally completed—they had not been then—that they were somewhat longer than I thought the house would desire to incur the expense of printing. So I lay two copies of each on the table, and if the committee think, after analyzing them, that they should be printed, very good, but as they deal with purely actuarial matters I did not think the expense of printing was warranted, unless the house is more interested than I think in purely actuarial computations.

BUSINESS OF THE HOUSE

PRECEDENCE FOR GOVERNMENT BUSINESS AFTER MONDAY, FEBRUARY 18

Right Hon. R. B. BENNETT (Prime Minister) moved:

That on Monday the 18th of February, 1935, and every Monday thereafter until the end of the session, government notices of motions and government orders shall have precedence over all other business except questions by members and notices of motions for the production of papers.

Right Hon. W. L. MACKENZIE KING (Leader of the Opposition): I have no objection to the motion, but the Prime Minister (Mr. Bennett) told us when he was speaking on the address that opportunity would be given to vote on the motion of the hon. member for Toronto-Scarborough (Mr. Harris) with respect to the operation of the Ottawa Imperial Conference trade agreements. I hope the Prime Minister will see that that opportunity is given, and not cut off by this method.

Mr. A. W. NEILL (Comox-Alberni): I wonder if the Prime Minister would concede another day to private members. He has given notice of motion to cut off Wednesday as well, and it is not customary to cut off both days at once. I have a notice on the order paper that has not been called at all, and it is not one of these academic stunts, it is a matter of practical importance.

Mr. BENNETT: After yesterday's debate I gave notice in the evening of intention to suggest to the house that Wednesday should become a government day. We have not yet reached that, and as I have frequently said, if the view of the house is that private members should have another day of course it will always be available. That has always been the principle on which we proceeded, but having regard to the condition of the order paper I placed that notice on the order paper last evening.

Motion agreed to.

QUESTIONS

(Questions answered orally are indicated by an asterisk.)

MARKETING BOARD—EGGS AND POULTRY

Mr. YOUNG:

1. Did the dominion marketing board on January 2nd, write to F. J. G. Cunningham, representative of the Saskatchewan Egg and Poultry Producers Protective Association, to the effect that as soon as the order in council with reference to the marketing scheme for eggs and poultry had been passed the board would furnish him with copies of the approved scheme?

2. Were these copies ever forwarded, and if so, on what date?

3. On what date is the vote on the said scheme to be taken?

4. What sum of money was advanced by the dominion marketing board for the purpose of promoting the marketing scheme for eggs and poultry in Saskatchewan, and to whom was it advanced?

5. Was any sum advanced by the dominion marketing board to any association opposing the said scheme?

Mr. WEIR (Melfort):

1. Yes.

2. No. No order in council has been passed approving the marketing scheme for eggs and poultry in Saskatchewan.

3. February 16 to February 23, inclusive.

4. No sum.

5. No.

*LEAGUE OF NATIONS—SOVIET UNION DELEGATES

Mr. POULIOT:

What are the names of the delegates of the U.S.S.R. who were members of: (a) the first committee; (b) the second committee; (c) the fourth committee; (d) the fifth committee, and (e) the sixth committee of the fifteenth ordinary session of the assembly of the League of Nations, held in Geneva in September, 1934?

Mr. BENNETT: (a) M. B. Stein, (b) M. M. Rosenberg, (c) M. B. Stein, (d) M. M. Rosenberg, (e) M. M. Litvinoff.

*LEAGUE OF NATIONS—CANADIAN REPRESENTATION

Mr. POULIOT:

How many sittings of each of the committees, upon which Canada was represented, were held during the whole length of the fifteenth ordinary session of the assembly of the League of Nations, held in Geneva, in September, 1934?

Mr. BENNETT: 1st committee, 6 sittings; 2nd committee, 9 sittings; 4th committee, 12 sittings; 5th committee, 13 sittings; 6th committee, 17 sittings.

Mr. POULIOT:

1. Between the 10th and 27th of September, 1934, have there been, in Geneva, plenary sittings: (a) of the assembly, and (b) of the council of the League of Nations?

2. If so, how many sittings did the Canadian and Russian delegates attend together; what were the dates of such sittings, and what was the purpose of each one?

Mr. BENNETT:

1. (a) yes; (b) yes. Canada is not a member of the council.

2. Two sittings, (1) September 18, of which the purpose was to decide upon the admission of the U.S.S.R. in the league. After this had been approved, delegates of the U.S.S.R.

took their seats in the assembly; (2) September 25, when the business dealt with was the admission of Afghanistan.

Mr. BENNETT: Questions Nos. 5, 6 and 7 refer to the same matter. I have looked into the questions. I might say with respect to them that the hon. member for Témiscouata (Mr. Pouliot) has placed upon the order paper several questions regarding the relations between Canada and the Russian delegations to the last assembly of the League of Nations. He seems to be particularly anxious to ascertain the part taken by the Canadian delegation in the invitation to the Soviet union to enter the League of Nations, and also whether the Canadian delegation had officially met Mr. Litvinoff and had made any arrangements with the Russian delegation. The situation is very simple, and I shall endeavour to satisfy the hon. member's desire for information by a brief and direct statement.

The Canadian delegation believed that the movement for the entrance of the Soviet union into the League of Nations, which was initiated by France and supported by the United Kingdom, was in the interest of the League of Nations and of world peace, and it shared in the steps necessary to bring that about. In response to an order of the house moved by the hon. member a copy of the telegram of invitation, signed by the delegates of some thirty members of the league, including Canada, has been transmitted for tabling. The Canadian delegation did not have any official meeting with the Russian delegation, and did not discuss or enter into any agreements. Owing to the fact that the Soviet union did not enter the league until nearly the end of the session, their delegates took practically no part in the work of the committees. The only plenary meeting of the assembly at which I was present and which was attended by the Russian delegates was the session on September 18, when the business before the meeting was the admission of the U.S.S.R. into the league; after this had been approved the Russian delegates took their seats in the assembly.

Mr. SPEAKER: Questions 5, 6 and 7 answered.

Mr. POULIOT: The answer is not complete.

L'ILE-AUX-GRUES, QUE., TELEPHONE EXCHANGE

Mr. FAFARD:

1. Who is in charge of the telephone central at l'Ile-aux-Grues, Montmagny county?
2. What is the salary of this employee?

Mr. STEWART (Leeds):

1. Captain Hector Lavoie.
2. $50 per year.

NEW BUILDING, OTTAWA—EXCAVATION

Mr. FOURNIER:

Are the excavation works for the new building to be erected on Wellington street, Ottawa, being done with excavators or by manual labour?

Mr. STEWART (Leeds): Work being done by usual methods, both being employed.

EMIGRATION TO UNITED STATES

Mr. DUGUAY:

How many Canadians left Canada for the United States, during the years 1922 and 1923?

Mr. GORDON: As the dominion government has no officers employed recording emigration but only immigration there are no figures available showing the emigration from Canada in any year. To record emigration would involve the employment of many additional officers particularly on the international boundary.

CANADIAN NATIONAL RAILWAYS

APPLICATIONS BEFORE BOARD OF RAILWAY COMMISSIONERS TO ABANDON BRANCH LINES

On the orders of the day:

Hon. IAN A. MACKENZIE (Vancouver Centre): I wish to ask the Minister of Railways (Mr. Manion) how many applications are now before the board of railway commissioners to his knowledge in regard to the abandonment of branch lines on the Canadian National railway system.

Hon. R. J. MANION (Minister of Railways and Canals): I do not think I can answer that question at the moment, but I read in the press that there are a number of applications before the board. Of course the two railway companies have the privilege of applying to the board of railway commissioners to abandon lines, they do not have to ask our authority in any shape or form. However, I shall look into the question and inform the hon. member correctly as soon as possible.

USE OF DRUG HEROIN

On the orders of the day:

Hon. D. M. SUTHERLAND (Minister of Pensions and National Health): Mr. Speaker, the day before yesterday the hon. member for Lisgar (Mr. Brown) asked a question with regard to the drug heroin. At Geneva a

convention was passed limiting the manufacture and regulating the distribution of narcotic drugs, and the following recommendation was adopted:

The conference, recognizing the highly dangerous character of heroin as a drug of addiction and the possibility in most, if not all cases, of replacing it by other drugs of a less dangerous character, recommends that each government should examine, in conjunction with the medical profession, the possibility of abolishing or restricting its use, and should communicate the result of such examinations to the secretary general of the League of Nations.

In accordance with this obligation, therefore, the Department of Pensions and National Health placed itself in communication with the various medical associations, provincial and dominion. So far replies have been received from eight, and as yet no replies have been received from three, so until these replies are received no definite action will be taken. Resolutions have been received from certain rotary clubs, including that of St. Marys, Ontario, and the hon member for Comox-Alberni (Mr. Neill) made representations on behalf of a body in his district.

NEWSPRINT INDUSTRY

On the orders of the day:

Mr. JEAN FRANCOIS POULIOT (Témiscouata): Mr. Speaker, whereas two revolutions of the earth have taken place, and whereas not twenty-four but forty-eight hours have elapsed since the Prime Minister (Mr. Bennett) promised to table in due course the return with regard to the newsprint industry, may I ask him first if the file has been sent out of Ottawa to be combed by someone, and second, if the file will be tabled—

Some hon. MEMBERS: Order.

Mr. POULIOT: I am asking a question, and I want yes or no for an answer. The second question is, if the government is waiting until after the legislation regarding the eight hour day—

Some hon. MEMBERS: Order.

Mr. POULIOT: Just a minute.

Mr. SPEAKER: Will the hon. gentleman kindly proceed to ask his question and direct it to the proper minister?

Mr. POULIOT: I am asking, as a second question, if the government are waiting until the legislation regarding the eight hour day and the minimum wage is passed before tabling such correspondence. May I add that such legislation will not pass until this correspondence is produced.

[Mr. Sutherland.]

Some hon. MEMBERS: Order.

Mr. SPEAKER: I would ask the hon. gentleman to bear in mind the rules of the house in regard to asking questions. No hon. member is more familiar with the rules in that respect than my hon. friend. He knows that what he has added to his question is not proper, and I would ask him to be good enough to observe the rules when asking questions.

Mr. POULIOT: I accept your ruling, Mr. Speaker; I submit my two questions, and I withdraw the warning.

STORM IN BRITISH COLUMBIA

On the orders of the day:

Mr. THOMAS REID (New Westminster): I should like to direct a question to the Prime Minister (Mr. Bennett). Has the attention of the government been directed to the terrible destruction which occurred recently in British Columbia due to a storm in that province, with damage amounting to approximately $2,000,000? If so, is the government considering the advisability of rendering some financial assistance to those who have been affected?

Right Hon. R. B. BENNETT (Prime Minister): The premier of British Columbia has intimated that the storm had caused much damage, but no details have been indicated as to what the damage was.

BRITISH COLUMBIA RADIO

On the orders of the day:

Mr. OLOF HANSON (Skeena): I should like to ask the Minister of Marine (Mr. Duranleau) if any steps have been taken by the radio commission to ensure better radio reception in central and northern British Columbia. The minister is familiar with the problem; in that territory it is impossible to hear any Canadian broadcasts. According to my information some steps have been taken to improve that condition, and I should like the minister to say what has been done.

Hon. ALFRED DURANLEAU (Minister of Marine): I understand that some steps have been taken by the radio commission to improve the situation in that district. I will communicate this question to the commission and will gladly give its answer to my hon. friend.

BRITISH NORTH AMERICA ACT

On the orders of the day:

Hon. IAN MACKENZIE (Vancouver Centre): Mr. Speaker, now that private mem-

bers' days have been taken by the government I should like to ask the Minister of Justice (Mr. Guthrie) when he intends to proceed with the organization of the committee to consider amendments to the British North America Act.

Hon. HUGH GUTHRIE (Minister of Justice): The committee was appointed yesterday. I do not know that it is my duty to call it together, but if it is I will be glad to call it together without delay.

MARKETING BOARD—ADVANCES

On the orders of the day:

Mr. E. J. YOUNG (Weyburn): In regard to question No. 1 on the order paper, paragraph 4 reads:

> What sum of money was advanced by the dominion marketing board for the purpose of promoting the marketing scheme for eggs and poultry in Saskatchewan, and to whom was it advanced?

The answer is "No sum". I have in my possession a telegram from Regina stating that pool speakers have publicly admitted that they have received $20,000, which is being used to send ninety-five speakers throughout the province. Will the minister say there is no truth in that statement?

Hon. ROBERT WEIR (Minister of Agriculture): I would ask the hon. member to let this question stand as notice.

NORTH SASKATCHEWAN BRIDGE

On the orders of the day:

Mr. CAMERON R. McINTOSH (North Battleford): Mr. Speaker, I have a question to direct to the Minister of Public Works (Mr. Stewart). I have received telegrams from the Lloydminster board of trade, dated February 11; from E. Whitlaw, mayor of Ruddell, dated February 11; from F. Wright, commissioner of the North Battleford board of trade, dated February 8; from the Lashburn board of trade, dated February 9; from William Wilson, overseer of Waseca, dated February 9, and from George Wyatt, secretary treasurer of the council of the village of Paynton, dated February 13, asking for the bridging of the North Saskatchewan river at a point called Ceepee, forty miles west of Saskatoon and sixty miles east of North Battleford. I understand the Saskatoon board of trade are backing the project also. I should like to ask the minister if he can make any statement to the house and country as to whether this important project will be included in any government public works program for this year.

Hon. H. A. STEWART (Minister of Public Works): Mr. Speaker, some representations have been made in the past in this regard, but I am not able to state what is the intention of the government. I suggest that my hon. friend will have to await the legislation that may be brought down, or the estimates.

Mr. McINTOSH: I hope when the answer does come down it will be satisfactory.

INQUIRY—MR. POULIOT

On the orders of the day:

Mr. JEAN FRANÇOIS POULIOT (Temiscouata): I am not going to repeat the two questions I put to the government a short time ago, but I would ask the government to answer them. Silence.

UNEMPLOYMENT RELIEF—QUEBEC

On the orders of the day:

Mr. VINCENT DUPUIS (Laprairie-Napierville): On February 4, at page 444 of Hansard, the hon. member for Jacques Cartier (Mr. Laurin) put the following question to the government:

> Did the Quebec government make a formal proposal to the federal government looking to an agreement in relation to unemployment with a view to exempt municipalities from contributing to unemployment relief expenditures?

The Minister of Labour (Mr. Gordon) answered "Yes". May I ask the minister to lay such correspondence on the table of the house?

Hon. W. A. GORDON (Minister of Labour): I will be very glad to table the correspondence that passed between myself and the premier of Quebec. I think two communications were addressed to me; the matter was considered, and I replied to those communications. I will table the letters tomorrow.

MONTREAL POSTAL TERMINAL

On the orders of the day:

Hon. FERNAND RINFRET (St. James): According to the press contracts have been let in connection with the Montreal postal terminal. I should like to ask the Minister of Public Works (Mr. Stewart) if these are only partial contracts or if they will ensure the completion of the work.

Hon. H. A. STEWART (Minister of Public Works): The contracts that have been let will ensure the completion of the work.

CANADIAN NATIONAL RAILWAYS

REFUNDING OF MATURING AND CALLABLE FINANCIAL OBLIGATIONS

Hon. E. N. RHODES (Minister of Finance) moved that the house go into committee to consider the following proposed resolution:

That it is expedient to bring in a measure to provide for the refunding of maturing and callable financial obligations of the Canadian National Railways and for the issue of substituted securities therefor, guaranteed by the dominion, in an amount not exceeding $200,000,000.

Motion agreed to and the house went into committee, Mr. MacDonald (Cape Breton South) in the chair.

Hon. E. N. RHODES (Minister of Finance): The committee is aware no doubt that from time to time in the past the practice has obtained of taking the power through what might be termed an omnibus bill to refund and to fund the direct obligations of the dominion. This bill is designed to take the same course with respect to the guaranteed obligations, or in other words the obligations of the Canadian National Railways which bear the guarantee of the Dominion of Canada. We are asking authority up to the extent of $200,000,000. As a matter of fact there are maturing this year a limited amount of obligations, of which I shall give the exact amount in a few moments. But there are callable provisions in connection with a number of the issues which would enable us, if the market conditions warranted, to refund in the course of the present year not less than $172,000,000. Of course we would ask for the added sum, in the event of our being able to do the same thing with respect to callable obligations which might arise at the end of the year. I do not think I need dwell upon the wisdom of our refunding where possible and in that way reducing the interest charge in consequence. As a matter of fact in the latter part of last year we had two issues of the Canadian National Railways amounting in all, in round figures, to the sum of $20,500,000. which were re-financed in the month of December. We were able to refund those with an issue of three per cent securities which, in that one transaction alone, will save the railways and to that extent will save the Dominion of Canada not less than $200,000 a year in interest.

To-morrow there falls due an issue of $17,000,000 of four and a half per cent guaranteed Canadian Northern Railway bonds. We have made arrangements temporarily to refund those upon a two per cent basis. But as the market presents an opportunity we will fund those for a longer term, saving a substantial sum in interest as against the rate which the maturing issues bear. It is necessary of course to secure this authority in advance, because there is not only the question of parliament being in session only for a limited period but the other point, namely, that the majority if not all of these issues are payable in the alternative, either in London, New York or in Canada, at the option of the holder. It would be dependent upon conditions from time to time as to whether a favourable opportunity will present itself.

To show how important it is that we should refund in terms of dollars, may I say that if we are able to refund the total amount which we can refund through the callable provisions, and also because of the obligations maturing to-morrow, during the course of the year, upon a basis comparable to the existing interest rate, we will be able to effect a saving in interest alone of, in round figures, the sum of $2,500,000 a year.

Mr. EULER: I should like to ask the minister whether the government has considered the advisability of refunding not only the callable maturities but those which actually do mature. Instead of refunding only the ones he has mentioned, I should like to know whether or not they have in mind the possibility of refunding at a lower figure the balance of about a billion dollars, payable on account of the national railways. It will be desirable to have that done, if possible.

Mr. RHODES: I entirely agree with the hon. member for North Waterloo (Mr. Euler) as to the desirability, but we must take first things first. Of course we must deal with the maturing obligations.

Mr. EULER: Quite so.

Mr. RHODES: Then it remains open to us to deal only with those maturities which have a callable provision. Of course if after that arrangements could be arrived at whereby all the holders would be content, despite the contract, to accept a lower rate of interest, needless to say we would all be only too happy to accept such an arrangement.

Mr. EULER: Would it not be worth while to try?

Mr. WOODSWORTH: Would the minister state whether or not there is any provision being made for an overhauling of the whole capital structure of the Canadian National Railways?

Mr. RHODES: Mr. Chairman, I do not know that that question arises at the moment. Certainly it is not one I should like to discuss at the present time.

Mr. RALSTON: The minister referred to refunding $17,000,000 due to-morrow. I presume he has in mind the paying off of the $17,000,000 and financing on short term for the funds in the meantime.

Mr. RHODES: We have made arrangements on short term financing for a temporary refunding at the rate of two per cent interest.

Mr. RALSTON: On call?

Mr. RHODES: No, for a short term.

Mr. RALSTON: In Canada?

Mr. RHODES: Part in Canada and part in the United States, because a portion of the securities are held in New York. But of course we will refund them as and when the market conditions warrant.

Mr. RALSTON: If the minister has a list before him of the issues which will fall due this year, could he give me some idea of the premiums, if any, which would be payable?

Mr. RHODES: There is an issue of $60,833,333.33 of Grand Trunk Railway four per cent perpetual guaranteed stock which is callable at 100. I have not the data before me, but my recollection is that that is payable in England. However, of that fact I cannot be sure at the moment.

There is an issue of Canadian National Railway 4½ per cent thirty-year bonds, due September 15, 1954, amounting to $26,000,000, which is callable at 102; a Canadian National Railway issue of 4½ per cent forty-year bonds, due December 1, 1968, amounting to $35,000,000, which is callable at 103; an issue of National Transcontinental Railway Branch Lines Company 4½ per cent first mortgage bonds due October 1, 1955, amounting to $2,541,000, callable at par; Mount Royal Tunnel and Terminal Company Limited 5 per cent first mortgage bonds due April 15, 1970, amounting to $952,893.33, callable at 105; an issue of Grand Trunk Railway Company of Canada 7 per cent debentures due October 1, 1940, amounting to $23,740,000, callable at 102½; Canadian Northern Railway Company 7 per cent debenture bond issue due December 1, 1940, amounting to $23,779,000, callable at 102½. The total of the various issues I have just given aggregates $172,846,226.66.

Mr. RALSTON: Did I understand the minister to say that there were no other issues falling due this year except this $17,000,000?

Mr. RHODES: The $17,000,000 issue falling due to-morrow is the only issue falling due this year. The list I have given is the complete list of those issues which contain the callable provision enabling us to call them this year.

Mr. RALSTON: At what rate was my hon. friend reckoning interest when he mentioned a possible saving of $500,000?

Mr. RHODES: In round figures 3½ per cent.

Mr. EULER: Mr. Chairman, it was formerly the practice I think for the national railways to issue these obligations on their own account, guaranteed by the federal government. In view of the fact disclosed before the parliamentary committee on national railways and shipping that bonds issued direct by the government could be sold just a little more advantageously than those issued by the national railways direct, and guaranteed by the government, I would like to ask whether it is the intention of the government to have this issued as a direct obligation of the federal government, and charged I presume against the national railways, instead of being issued by the railways, as formerly, and guaranteed by the government.

Mr. RHODES: Mr. Chairman, that is a very large question. I would not wish to shield myself behind the usual and quite proper formula that the intention of the government can only properly be made known when it has arrived at a decision. I do not take that ground at all. I would point out that it is a large question of policy as to how far it may be wise for the government to add direct obligations in place of their present indirect obligations, especially bearing in mind the circumstance that, while it is true there is a margin of difference in the rate on a direct obligation and a guaranteed obligation, the tendency is for that margin to narrow very closely. That is particularly so in Canada. The tendency heretofore has been for that margin to be slightly larger in Great Britain and in New York, but on the whole the tendency has been for that margin to narrow to a very small point. At the moment I would not like to express an opinion whether, on balance, if it were possible, it would be the part of wisdom to stand directly under the whole load at the present time.

Mr. EULER: If I am not mistaken the committee I think included in its report a recommendation that in future the bonds be issued on the direct responsibility of the government. I may be wrong in that but I am inclined to think that that was the recom-

mendation of the committee and that its report was adopted and accepted by parliament.

Mr. RHODES: That may be so.

Mr. GARLAND (Bow River): Has the government any intention of undertaking a revaluation of the capital structure of the Canadian National Railways so that it will bear some relationship to the actual replacement value of the present assets?

Mr. RHODES: I would not undertake to answer that question at the moment, certainly not in connection with this measure.

Mr. HANBURY: I would like to suggest to the minister that he place on Hansard a statement of the bonded obligations of the Canadian National Railways and its affiliations.

Mr. RHODES: If my hon. friend will refer to the budget speech of last year and the year before, and the year before that again, he will find them there in complete detail, and also in the annual report of the Canadian National Railways.

Mr. HANBURY: The minister in referring to some issues that were maturing stated that some were payable in New York and some in London. I would like to inquire whether it is the intention of the government, where possible, to make all future issues payable in Canada only, or whether the old policy will be continued.

Mr. RHODES: I did not get the latter part of my hon. friend's question.

Mr. HANBURY: I asked whether in future all issues of a similar nature would be payable in Canada only, where possible, or whether the old policy of having them payable both in London and New York, or one or the other, would be continued?

Mr. RHODES: The answer to that question would be, which is the more favourable market when an issue is being made? We cannot project ourselves into the future. All I can say is that the policy we have pursued has been so far as possible to confine our borrowings to the Canadian market, but there may be, and no doubt will be occasions when it may be more advantageous to borrow in other markets.

Mr. RALSTON: Do I understand that it is the intention to make all of these new refunding issues callable?

Mr. RHODES: Every one of the issues that we have made recently has had callable provisions.

[Mr. Euler.]

Mr. RALSTON: And that is the intention here?

Mr. RHODES: That is the intention with respect to the future.

Mr. RALSTON: The bill will no doubt disclose the answer to the question asked by my hon. friend from North Waterloo, whether it is intended to undertake these as direct obligations of Canada or as guarantees. I suppose the minister cannot now indicate what authority will be given in the bill.

Mr. RHODES: The bill will be in the terms of similar bills which have been introduced, and it will provide in the alternative either for direct obligation or for guarantee.

Mr. COOTE: Mr. Chairman, may we take it for granted that none of these new issues will be made payable in foreign funds except such as are renewals of maturing issues now payable in foreign funds?

Mr. RHODES: I have already stated that where we can we will refund in Canada, and certainly in Canadian funds. But when it comes to a question of refunding maturities which are held outside of Canada the question of repatriation arises, and it is a question then of what is on balance the wiser policy to pursue.

Mr. HANBURY: In connection with the minister's last remarks I submit that it is better to pay the Canadian people a higher rate of interest and maintain your obligation in Canada, where it is possible to do so, rather than enter into an obligation in some foreign country. I believe the minister would get the support of this house for a policy on that basis. We know that there is considerable money for investment in Canada to-day, even although the banks have invested in government securities over 50 per cent of the savings of the people. I think the government should give very serious consideration to the issue of Canadian obligations, where it is at all possible, even if the rate of interest may be a little higher at the time.

Mr. GARLAND (Bow River): May we take it that the statement of the last speaker indicates that the party to which he belongs has abandoned the policy of free trade in finance?

Resolution reported, read the second time and concurred in. Mr. Rhodes thereupon moved for leave to introduce Bill No. 19 respecting the Canadian National Railways and to provide for the refunding of maturing and callable financial obligations.

Motion agreed to and bill read the first time.

AIDS TO NAVIGATION

BAHAMAS AND LEEWARD ISLANDS—COLLECTION OF DUES TO APPLY TOWARDS MAINTENANCE BY BRITISH GOVERNMENT OF SHIPPING SAFEGUARDS

Hon. ALFRED DURANLEAU (Minister of Marine) moved that the house go into committee to consider the following proposed resolution:

That it is expedient to provide for the collection by the dominion government of dues to be applied towards the maintenance of the lighthouses and buoy erected or placed by the British government on or near the coasts of the Bahamas and Leeward islands, from ships arriving at and departing from ports in Canada which derive benefits from the said lighthouses and buoy.

Some hon. MEMBERS: Explain.

Mr. DURANLEAU: The purpose of the resolution and of the bill which will be based upon it is to authorize the collection in Canada of lighthouse dues in respect of certain lights situated in the Bahamas and the Leeward islands. There are twelve lighthouses and one buoy in this service, which is administered by the board of trade of the United Kingdom. The lights were originally erected by the British government many years ago, and by the Merchant Shipping Act of 1898 the cost was transferred to the general lighthouse fund, which derives its revenue from lighthouse dues collected in the ports of Great Britain, Northern Ireland and the Irish Free State. The burden of the general lighthouse fund with respect to these lights has averaged £51,516 per annum for the last four years, part of which was for the improvement of the lights to put them in first class condition. Of course, the improvements are beneficial to the shipping interests of all nations who have occasion to take advantage of the lights, although up to the present time the cost has been borne by the general lighthouse fund through contributions received mainly from ships that derive no benefit at all from them. It is sought now to have the burden involved in the improvement and maintenance of the lights shifted upon the ships that benefit by them, and our customs officers, by this legislation, will become the collecting agents of the board of trade for the British general lighthouse fund. Similar legislation has been adopted by the Commonwealth of Australia and the Irish Free State, as well as India, and I am informed that New Zealand will introduce at its next session a measure with the same object in view.

Mr. WILLIAM DUFF (Antigonish-Guysborough): It is impossible for us to obtain full information before the resolution goes into committee regarding the payment of dues by Canadian or Australian or other vessels that benefit by the lights in question. I suggest we go into committee so that the minister can give us some details.

Motion agreed to and the house went into committee, Mr. MacDonald (South Cape Breton) in the chair.

Mr. GARLAND (Bow River): With whom did this idea originate? Is it the result of an agreement arrived at by an imperial conference in London; is it by agreement between the dominions and Great Britain; or whence has the idea come which is embodied in this resolution?

Mr. DURANLEAU: Dues for the use of the lights in question have been collected in England for very many years, but up to the present time the cost of maintaining the lights has been contributed to by a large number of ships that have derived no benefit whatever from the service. Years ago the fact was recognized that ships navigating between the dominions of the empire and benefiting by the existence of the lights were contributing nothing to the service, the contributions being made only by all the ships calling at the ports of Great Britain or Northern Ireland or the Irish Free State. The British authorities thought that it would be more equitable if only the ships that derived benefit from the lights contributed to the fund for improvements and maintenance of these lights. I do not think the question of our becoming agents for the collection of dues has ever come before a conference; I am not sure, but I do not think so. But Great Britain has asked the dominions to collect in their ports dues from ships that benefit by the lights, which as I say cost so much to the British government—about £50,000 a year. In becoming agents we shall probably receive a percentage of the collections, and these collections will be returned to the general lighthouse fund in Great Britain.

Mr. RINFRET: I understood the minister to say that the other dominions would adopt similar legislation. He mentioned Australia—

Mr. DURANLEAU: Yes.

Mr. RINFRET: And South Africa, I thought, and he even mentioned India. Does the minister mean that these dominions or possessions or whatever they are called have ships that pass through that particular territory covered by the resolution?

Mr. DURANLEAU: I cannot say offhand whether those countries have ships deriving benefit from the lights by passing through the Bahamas; but if a ship, British or foreign, navigates in that neighbourhood and thus derives benefit from the lights and does not visit any port in Great Britain, Northern Ireland or the Irish Free State, that ship will not contribute to the maintenance and improvement of those lights although it has benefited from them. That is why the British authorities have asked the dominions to collect dues for the general fund from those ships which do not visit ports on the other side but which visit dominion ports before or after having benefited from those lights; according to regulations it is one penny per ton of registered tonnage of each ship.

Mr. RINFRET: My point is this—perhaps the minister cannot supply the information—but I would like to know if it intended that the other dominions are to enact legislation covering the Bahamas and Leeward islands, or is this to be restricted to Canada? I do not think Australia is interested in it.

Mr. DURANLEAU: I have already stated that all the dominions and colonies were asked to adopt similar legislation, that is to provide for the collection in their ports of dues for the British general fund. I have just stated that the Commonwealth of Australia, India and the Irish Free State have already adopted and probably New Zealand at its forthcoming session will adopt similar legislation; that is, they will become collecting agents for the British general lighthouse fund.

Mr. CARDIN: Is this proposal not going to bring about a very serious change in the system which prevails in Canada so far as lighthouses and buoys are concerned? It is very well known that vessels coming into Canadian ports at present have no dues to pay in connection with the maintenance or repair of lighthouses and buoys. According to this resolution if the proposed legislation is put into effect, vessels entering Canadian ports will have to pay to Canada dues which they are not at present called upon to pay. This is a material change and I am afraid it is opening the door to a new policy here which may lead us sooner or later to the establishment of the system which prevails in England and other countries with the exception of Canada and the United States. Is the minister not somewhat afraid that this bill will create a precedent which may prove harmful to our ports later on?

Mr. DURANLEAU: As I told the house a minute ago, these dues are for the British general fund, not for our own. We are not legislating for Canada; we are legislating only to give power to our customs officers to collect for Great Britain dues from ships which do not visit their ports on the other side but which derive benefits from those lighthouses, and visit the Canadian ports. This is only the enforcement of a British law in a British possession, the West Indies; that is all. We are only becoming the collecting agents. No principle in regard to our own legislation is involved. We have no lighthouse dues in this country and so far as I can see we do not intend to impose any dues for lighthouse maintenance. This is to help the British general fund by collecting its lighthouse dues.

Mr. CARDIN: Vessels entering Canadian ports have not so far been called upon to pay any dues even to England or to any other country for the maintenance of these lighthouses and buoys, but when the proposed legislation is put on the statute books vessels will have to pay in Canada dues that they formerly were not asked to pay.

Mr. DURANLEAU: Not for our lighthouses. Our officers are only the collecting agents of Great Britain.

Mr. CARDIN: If I understood the minister aright a moment ago, he said that possibly part of these dues will be for our benefit.

Mr. DURANLEAU: I said that perhaps Great Britain will pay us a certain percentage of these dues to cover the expense of collection. That would be only fair.

Mr. GARLAND (Bow River): Has any request been made of the United States government in turn to share part of the expense in the maintenance of these facilities for the same reason the minister gives for asking us, namely that their ships use those ports and receive some services from those lighthouses and buoys? The proposal seems to me eminently fair that one pays on the basis of the service secured, but to be fair it must apply to all parties participating in the benefit. If Canada, Australia and New Zealand are to assume their share of the burden without any foreign countries also sharing, that is not an equitable distribution of the cost. Has the minister any information on that question?

Mr. DURANLEAU: I am not aware that the United States ever asked for contributions for their lighthouse services, but I can say that United States vessels navigating through the Bahamas and Leeward islands, if they do not visit a port in Great Britain or Northern Ireland or the Irish Free State but visit a port in Canada, they will be asked by our officers to pay these dues.

Mr. GARLAND (Bow River): But they will not necessarily visit a port in Canada. They may be plying between United States ports and ports in the Bahamas. Why should they not in turn be required to pay part of the cost? Why should the United States customs authorities not be induced by voluntary arrangement to collect just as we are now being asked to collect some share of the cost?

Mr. DURANLEAU: So far Great Britain has asked only its dominions and colonies to help it in the collection of these dues.

Mr. CARDIN: This is going to be to the detriment of Canadian ports. After this proposed legislation is passed, vessels entering Canadian ports will have to pay these dues. If the same vessels visit United States ports, they will have nothing to pay for the use of these lighthouses and services. That appears to be a system which will operate against our Canadian ports.

Mr. DURANLEAU: There may be a loss to the British general lighthouse fund if they have no agreement with the United States for the collection of dues in the ports of that country, but at the present time Great Britain is asking the aid of the dominions and colonies only in the collection of these dues.

Mr. CARDIN: I quite understand that what we are creating here is a collecting agency for England, but I am afraid it is going to operate to the detriment of our Canadian ports. It is going to impose dues on all vessels visiting our ports.

Mr. DURANLEAU: Vessels which have derived benefit from those lights.

Mr. CARDIN: Certainly, but vessels also deriving benefits from those lights going into the United States will have nothing to pay.

Mr. CASGRAIN: They will not be encouraged to come to Canada, they will go to the United States.

Mr. DUFF: I think the best thing the minister can do with this resolution is to let it stand. It is quite evident that he is badly advised either by the British government or by his officials in putting this resolution on the order paper. I could understand it if, following the Prime Minister's wish regarding conventions about eight-hour days and minimum wages and other matters for the whole British empire, or the whole world, the British government were putting forth a proposition that all lights in the British empire should come under one general fund. If that were the proposal then I could understand why ships coming into Canada or going from Canada should pay into that fund. But why in the name of heaven should any ship either coming to or going from Canada pay for lights in the Bahamas or the Leeward islands? Do the Bahamas pay for our lights in Canada? Do the Leeward islands, the Windward islands, does Australia? And the minister tells us that the Irish Free State has agreed to pay; have they any shipping? You might as well say that Switzerland or Alberta is willing to agree to collect for these islands.

Mr. McINTOSH: What about Saskatchewan?

Mr. DUFF: Or Saskatchewan. The thing is ridiculous. The minister knows that the Canadian taxpayers pay for all the lights on both our coasts and on the great lakes. We do not ask the Bahamas or the Leeward islands or Australia or the Irish Free State or even Great Britain to help pay for these lights. Not only does Canada pay for all the lights in Canada but also for some in Newfoundland as the minister knows. These are lights of a particular kind and placed in positions of particular advantage for Canadian and other shipping. But why should the Canadian vessel owner or taxpayer pay for lights in the Bahamas or the Leeward islands? Take for example the Empress of Britain, she makes perhaps twenty trips to Quebec in a year. If this resolution passes, every time she enters at Quebec she will have to pay lights dues for lights, where? Down at Nassau. The only time the Empress of Britain goes to Nassau is perhaps once a year; when liquor gets scarce in Quebec and she takes a number of passengers down to Nassau. Mr. Chairman, the suggestion or resolution is ridiculous. I say seriously to the minister that when Great Britain comes forward with a proposition that all the lights in the British empire should be maintained from one fund that will be time enough to ask Canadian shipping to help keep up lights in the Bahamas or on the coast of England or elsewhere.

Mr. LAPOINTE: I would be opposed to that.

Mr. DUFF: So would I, but I am putting that forward as a much better proposition than the one the minister asks us to adopt now. I ask the minister to have the committee rise, so as at least to give time for more consideration.

Mr. CHURCH: I look on the hon. member for Antigonish-Guysborough (Mr. Duff) as the admiral of the Canadian navy. I trust

the day is not far distant when Canada may realize its duty to the British fleet, and be ready not only to contribute to aids to navigation but to make a proper contribution by the people of Canada to maritime freedom. We do not know what we owe to the British fleet. When the hon. member for Antigonish-Guysborough was sitting on this side of the house he will remember the Petersen contracts in which it was proposed to pay thousands of dollars by way of subsidy to a concern with no control over ocean rates at all. I hope the day is not far distant when the people of Quebec and of all the provinces will take a broad view of this matter, because I believe in the principle on which confederation is based, the principle of all for one and one for all. My friends on the other side are always talking about more overseas trade. We have the Canadian merchant marine and it is necessary no doubt to maintain these contributions and collections as aids to navigation, and they have not been opposed in the past by hon. members opposite. I maintain that not only should there be a contribution towards aids to navigation, to avoid disasters and loss of life, but it should be made willingly. I hope the day is not far distant when these aids may be extended and increased to the head of the great lakes, where there have been many disasters through lack of proper lights and signals and aids to navigation. I commend the Minister of Marine (Mr. Duranleau) for the resolution. Hon. members of the opposition should be consistent.

I have never gone to sea but if I went I should feel safe with such a sea admiral as the hon. member for Antigonish-Guysborough.

Mr. POWER: It took a great deal of circumlocution or circumnavigation and ingenuity for the hon. member for East Toronto (Mr. Church) to reach the point where he could wave the flag and sing Britannia Rules the Waves. But with all respect to him I think we have a perfect right to object to this resolution until at least we have more information. The minister has told us that the Irish Free State and Australia and India are proposing to pass similar legislation.

Mr. DURANLEAU: They have passed similar legislation, they are collecting these dues.

Mr. POWER: He has not yet told us who asked this country to do so. Was it by a letter from the British government, a letter from the collectors of the lighthouse fund, or is it a matter of agreement, one of these conventions that we are ratifying now, or did it originate in the minds of officials in his department? We want far more light, but we do not want to pay for it unless we have to. The hon. member for Antigonish-Guysborough (Mr. Duff) referred to the tax on vessels such as the Empress of Britain. The Empress of Britain I think is a vessel of about forty thousand tons. I understood the minister to say that the tax would be a penny a ton each time this vessel comes into Quebec?

Mr. DURANLEAU: I understand the tonnage of the Empress of Britain is forty-two thousand tons, and the tax is a penny a ton on the registered tonnage.

Mr. POWER: That would amount to $420 each time this vessel came into Quebec.

Mr. DUFF: It would be £750 every time she come into Quebec.

Mr. BENNETT: It would be $840.

Mr. POWER: I am not surprised that the Prime Minister needs an economic council, when the whole House of Commons cannot make a simple calculation in multiplication. I am inclined to agree with the Prime Minister that it is $840. Therefore that is what it would cost the Empress of Britain every time she came into the port of Quebec if the explanation given by the minister is correct. And she comes in something like ten or twelve times a season.

Mr. CASGRAIN: No, twenty times.

Mr. POWER: It has been pointed out that the Empress of Britain may conceivably go to the Bahamas once a year with one of those ocean cruises, and for that she would have to pay something like $8,000 or $9,000. The thing seems absurd on the face of it. As has been pointed out by some of our friends from the prairies it seems absurd that we should carry the burden of these duties when the United States, our next-door neighbour, is exempt. And particularly may I say that it is with a certain amount of regret I see this government, of all governments, imposing such dues on vessels coming into Canadian ports. One of the principal articles in the program of this government was free ports, though I must say that in the application of that term I fear those who preached that we should have free ports in this country neglected to look up either the dictionary meaning of the term or the meaning generally accepted in maritime countries. However, they left the impression with the people of this country that free ports meant ports with lower dues, but here one of the first pieces of legislation with respect to ports will place our ports at a disadvantage as compared with those of the United States.

And for whose benefit is this being done? It is for the benefit of ships trading in the Bahamas, for the benefit of ships, I would say, largely owned by Americans. I do not know what the proportion is, but I would say that far more ships of American registry ply in those waters than ships of Canadian or even of British registry.

Mr. DUFF: We have only two ships in Canada that go to the Bahamas.

Mr. POWER: Apart from bootlegging vessels we have probably only two Canadian ships that go to the Bahamas. My hon. friend from Antigonish-Guysborough tells me the only two vessels are the Lady Rodney and the Lady Somers. It strikes me that the whole proposition is very much like having the American government ask us to impose an income tax on our citizens, the proceeds of which would be devoted to keeping up the highways or bridges of the United States, and more than that, it would be the imposition of a tax on people formerly exempt, because in this case vessels coming into Canada, as has been shown here this afternoon, are exempt from dues in connection with our own lighthouses. I cannot imagine anything more extraordinary than asking the Canadian people, who have contributed largely over a period of years to the cost of lighthouses and other aids to navigation, and who do not charge that cost to vessels entering Canadian ports, now to suffer in any way or make any further sacrifices in order to keep up the lighthouses of any other country. I cannot understand why this legislation should be introduced, and after mature consideration I think probably the minister will withdraw it.

Mr. VENIOT: Will the minister explain how these dues are collected now? How does the British government get any revenue from vessels using or deriving benefits from the Bahamas islands lighthouses?

Mr. DURANLEAU: The collection is made when a ship that has benefited by those lights visits a British port, and similar laws have been adopted by Australia, India and other parts of the British empire. If a ship does not visit a British port before or after having derived benefits from those lights but lands in a Canadian port, under the proposed legislation the collection will be made at this port. That will be the practice in Canada if this legislation is adopted. At the present time if a Canadian ship derives benefits from those lighthouses on its way to Great Britain, for instance, she pays these dues on her arrival in the British port. We are only asking now that these dues be collected in Canada for the general fund of Great Britain from ships deriving benefits from these lighthouses, visiting a Canadian port instead of a British port. There is nothing extraordinary in this measure. We are only adopting a regulation in force in Great Britain for the maintenance of their lighthouses. It is quite true that we have not the same policy in Canada, but since we are not doing this for our own benefit but are acting only as collection agents for Great Britain I think this is fair legislation.

Mr. VENIOT: Can the minister inform the committee what constitutes deriving benefits from these lights, which would entitle the British government to collect dues? What would be considered deriving benefit? Would a vessel have to enter a port of the Leeward islands or of the Bahamas group?

Mr. DURANLEAU: No. According to the regulations—

Mr. VENIOT: Perhaps the minister will let me finish. Would the vessel have to enter one of those ports, or would it be taxed for going along the sea coast and being guided in the trip across the ocean by the lights it might see along the coast? What entitles the British government to collect those dues for benefits derived by such vessels?

Mr. DURANLEAU: I understand there are British regulations stating the zones and routes within or along which ships derive benefits from those lights, even though the ships do not visit a port in the Bahamas. If the ship passes within a certain distance of the lights, so that it must have those lights in order to obtain its direction, it derives benefits from the lights and is supposed to pay the dues. I might say to my hon. friend from Quebec South that the Empress of Britain, which voyages from Quebec to Southampton, does not pay any dues for these lighthouses. These dues would be collected only if the Empress of Britain went to the West Indies, for example, or passed through the Panama canal. On voyages from Quebec to Southampton no dues would be collected in connection with those lights.

Mr. DUFF: Does my hon. friend mean to say that a vessel going through the Panama canal and not calling at Nassau or Jamaica would have to pay something to this fund when it returned to Canada because it might happen to see the lights whilst thirty, forty or fifty miles away, on a fine night?

Mr. DURANLEAU: No. When it is considered, according to the British regulations,

that the ship has derived benefits from the lights or when it has been guided by the lights, it is supposed to pay dues.

Mr. DUFF: Who is to decide when the ship derives benefits?

Mr. DURANLEAU: Regulations have been adopted by the British authorities setting out certain zones.

Mr. DUFF: We would like to have those zones. The minister must realize that the Bahamas and Jamaica are in an entirely different position from Canada. Canada is a self governing country, and while we are under the British flag and part of the British empire we are in an entirely different position from either the Bahamas or Jamaica. If the British government would come to the Minister of Marine or to this government and say, "Let us pool our lighthouse and buoy interests in the British empire; if you will collect from ships arriving in Canada we will collect from ships coming to Liverpool and London and other British ports, and from that general fund maintain all the lights." If that were done I could understand that there might be some sense in the resolution. But surely the minister or the government is not going to compel the ship owners to do what is asked in the resolution. Goodness knows there are few enough ship owners in Canada now; most of the ships have been driven away from this country, first because of the shipping act of last year, and secondly because of the act which was on the statute books previous to that. We have driven our ships to Newfoundland, or to some other place, for registration.

Surely the minister will not compel the ship owners of this country to pay for lights in the Bahamas or Jamaica. Canada is paying for her own lights. Ships coming from New York or any other port of the United States get the benefit of those lights. This country does not ask United States ships to pay light dues when they arrive at Halifax, Vancouver or any other Canadian port, nor does the United States ask us to pay light dues on our ships travelling from Halifax or Sheet Harbour to the ports of New York or Boston. So far as that is concerned there is a reciprocal arrangement. Simply because the Bahamas are a crown colony, and Jamaica is practically in the same position I cannot see why our ships should pay the British admiralty or into a British fund for the purpose of keeping up lights either in the Bahamas or Jamaica. It is not right, and I demand of the minister that he ask this committee to rise and report progress, and that he should not try to force this resolution through parliament. It was bad enough last year when the minister forced the Shipping Act through the house. It has been on the statute books a year, and the minister has never dared to put it into effect. Here is another matter coming along to make it harder for the ship owners of this country, a provision which will compel them to pay money to the British treasury for lights in the Bahamas and Jamaica. It is neither fair nor right and I demand of the Prime Minister and the government that the minister be asked to move that the committee rise and report progress.

Mr. MITCHELL: I should like to ask the minister whether or not the intention behind the resolution would be that of having the Canadian government collect fees for Trinity House. Hon. members who know the sea will know that most of the international lights, and the matter of developing lights in harbours, has been brought about by an institution in Great Britain known as Trinity House. It is possible that the lights may have been placed in position by Trinity House for the purpose of guiding international navigation. I should like to ask the minister whether or not the imperial government are collecting money for Trinity House through the instrumentality of this federal government.

Mr. DURANLEAU: According to the information I have and the correspondence which has taken place between British authorities and my department, I believe that is not the situation. These lights were placed years ago by the British government and at the expense of the British exchequer. Only in 1898 was the original cost and maintenance of the lights transferred to the general lighthouse fund of Great Britain. I understand that at the present time the board of trade of England is in charge of the administration of the lights.

Mr. MITCHELL: I believe that if the minister looked into the matter he would find that Trinity House is an independent organization which has been given power by the British government to collect dues and fees for the lights. I believe if he went into that aspect of the matter he would have no difficulty in answering the observations quite properly made by hon. members on this side of the house. Most of the lights in the world —and I am speaking in a broad and general way—are maintained by the organization I have named which, to all intents and purposes, is quite independent. The British government merely gives it power to erect the

lights. In many places where there are lights there are no governments which could be responsible for the maintenance of such lights. No doubt the hon. member for Antigonish-Guysborough (Mr. Duff) knows about Trinity House.

Mr. DUFF: Would the hon. member allow me to answer the question? Whilst in the old days there was a fund known as the Trinity fund, such fund applied only to lights in the British Empire, and before several British states obtained their autonomy. For instance, the Canadian ratepayers pay for the lights in the strait of Belle Isle. We pay for the light at Cape Race; we pay for the one at Cape Ray, we pay for the one at St. Paul's island, and the one at Anticosti island. Any vessel of any nationality may use those lights without paying light dues. If Canada has been good enough to provide lights for the shipping of the world and for vessels coming from the Bahamas, she should have like privileges extended to her. Of course we know no shipping comes from the Bahamas or from Jamaica to Canadian ports. As I said a moment ago, the only Canadian ships which use the ports of the Bahamas or of Jamaica are the Lady Rodney and the Lady Somers. Our lights are open for shipping from Jamaica; we have lights in place to protect any shipping there may be from the Bahamas, and I say it should be a reciprocal arrangement. The only reason the British government has asked is because the Bahamas are crown colonies. Surely there is no need for this country to pay light dues to keep up lights in the Bahamas. With the exception of the island of St. Pierre the Bahamas are the most prosperous islands in the world. On account of the liquor trade those islands have prospered—and I do not say they should be accused of conspiracy. The treasury of the Bahamas is full to overflowing, and I cannot see why we should be asked to pay for lights around those islands. The same applies to Jamaica. Jamaica is in a much better financial position than is Canada, and I cannot see why this poor country which is keeping up the lights on the Atlantic coast, on the great lakes, on the Pacific coast and around Newfoundland for the benefit of international shipping should now be asked to pay for lights in the Bahamas and Jamaica.

It is a most unusual proposition when we find the minister or the government asking us to take such action. They are not well advised in placing this resolution before parliament and in asking the taxpayers and the ship owners to give effect to it. I respectfully ask the Minister of Marine to move that the committee rise, and I would suggest also that before he proceeds—if he does proceed—he secure some further information to put before the committee.

Mr. DURANLEAU: What information do you want?

Mr. DUFF: I do not want any, but the minister wants some.

Mr. CASGRAIN: He needs it.

Mr. DUFF: The minister is at sea. He is not only in the dark and in the fog, but he is at sea. I would advise him to get more light on the subject before he asks parliament to tax the people and the Canadian ship owners to keep up lights in the Bahamas and Jamaica.

Mr. CASGRAIN: I do not think we should have any further discussion without more detailed information from the minister. As I understand the situation, the resolution would have the effect of placing a burden on ships coming to Canada. That point has been indicated by the hon. members for Richelieu (Mr. Cardin) and Antigonish-Guysborough (Mr. Duff). I am afraid such provision as is now indicated would have the effect of taking away more of the trade of Canada, because vessels from any port in the United States going to the points indicated would not have the dues to pay. The result would be that we would lose some of our shipping. As has been pointed out—and I know because I visited that part of the country only last summer—the Canadian government pays for the lighting around Newfoundland, takes care of repairs and maintenance and pays the salaries of officials. Now if in Canada we maintain lights and seaways for all the vessels that come to our waters from all parts of the world, I do not see why we should be called upon to pay a tax upon the vessels coming to this country. I do not think it is fair. The minister may have good intentions. He wants to help other parts of the world, and to help the fund in England and to help those organizations that are looking after the collection of these dues. But charity begins at home, and we should not be doing anything in this country that is going to be injurious to the interests of Canadian shipping. I think the minister has the interests of Canadian shipping at heart, that he means well, but he has lots to do and he has not in his department a deputy minister to advise him. He has an assistant deputy minister, but for the last three years he has not had a deputy minister. Formerly he had

a deputy minister who was well versed on all these questions, and it may be that if the minister had had a deputy who had been in office for a couple of years and familiarized himself with all these questions he would not now be presenting this resolution to parliament. As I say, I think the minister is sincere but perhaps he does not see the bearing of the legislation that he is asking the house to accept. He means well, but of course he is not a shipping man although no doubt since he has been Minister of Marine he has learned something about shipping; but before that he had not touched even the fringe of the shipping business.

I think, Mr. Chairman, that the suggestion that has been made that the committee rise and report progress so that the minister may consider the matter more fully and be in a position to give the information that has been asked for by my hon. friend from East Hamilton (Mr. Mitchell), for instance, is a very reasonable one.

Mr. DURANLEAU: I have no objection to that.

Mr. CASGRAIN: Then when the resolution comes up again and we have all the information before us, and when the minister himself is in a better position to answer questions and to give the house full details and give this whole question more careful study himself, he might not be willing to press the resolution any further.

Mr. DURANLEAU: What details do you want?

Mr. DUPUIS: In my opinion details will not suffice. I speak humbly because I am not a mariner nor an admiral, although I am an admirer of the department of the hon. minister. But as I see this question, if the minister cannot convince this house that this legislation will not put this country at a disadvantage compared with other countries of the world, all the details in the world will be useless. I do not see why this legislation was brought down. I understand that this government are heartily in favour of imperialism, but in this legislation they are working quite to the contrary end. It may be that it will help the British empire to pay a few dollars for lighthouses, but on the other hand the results will be disastrous because it will prevent ships coming to our own country, which is a part of the British empire. I do not see why this legislation was ever brought in when it was admitted that this country pays all the expenses of its own lighthouses and even those in Newfoundland. I am not sufficiently conversant with shipping laws to be sure that shipping from the United States coming to Canada would have to pay lighthouse dues, but I think not; I think there is no international agreement to that effect. If that is so, may I be allowed to fancy that the hon. minister has another thought in the back of his head, that in passing this legislation he will induce ships to go to the United States instead of coming to Canada, and that he will then have to dig out the Chambly canal and that his real reason may be that he wants to give the government a good reason for digging it up. If that is his reason I am all in favour of the minister, but otherwise I would suggest that consideration of this resolution be postponed until we are convinced that it will not be to the detriment of this country.

Mr. BENNETT: Mr. Chairman, the collection of an admitted liability of a ship is what is aimed at, but inasmuch as apparently the lack of knowledge has not proceeded from the minister but from those who have criticized him, possibly it will serve a useful purpose if the committee rise and report progress, and afford those who have been criticizing an opportunity to realize what the measure really is for.

Mr. DUFF: Mr. Chairman, I am not going to stand for that. There is no man in this house with such little knowledge of shipping as the Prime Minister, and indeed about a number of other things. He should not set himself up to criticize myself and other people for trying to get information about this matter from the minister. I have been very fair, and I am not going to allow the Prime Minister or anybody else to make any insinuations such as he did a moment ago.

I think I made a fair proposition to the minister when I suggested that he have the committee rise and report progress. May I say to the minister that if this country is paying for the upkeep of lights in the Bahama islands and Jamaica, we should ask Great Britain if they are willing to pay for the upkeep of lights in Canada, because there is no country in the world whose shipping uses Canadian lights more than Great Britain. If we are to pay Great Britain for the upkeep of lights in the Bahamas and Jamaica we should inquire of Great Britain whether they are willing to pay for our lights, and especially the lights at Belle Isle, Cape Race, Cape Ray and the lights off St. John and Halifax, and in the St. Lawrence river. That is a fair proposition. I believe in reciprocity, as the Prime Minister knows. I am a stronger advocate of reciprocity than the Prime Minister or the Minister of Justice or the Minister of Finance, and I repeat that if this country is

going to pay for the upkeep of lights, perhaps not in foreign countries, but in British colonies scattered all over the world, the British government should help pay for the upkeep of lights in the St. Lawrence and on the Atlantic and Pacific coasts of Canada. That is a fair proposition. Again I say, Mr. Chairman, that I am not going to stand for the insinuations of the Prime Minister that we on this side of the house do not know what we are talking about.

Mr. BENNETT: The difficulty is that it is not the country that pays any part of it, as any hon. member knows who knows anything about this resolution. It is the ship that pays the dues, and it is an admitted liability, and this legislation is merely to provide that as a matter of courtesy we will collect it, the same as Australia and New Zealand are doing. The liability is admitted. It is not a question of the liability of Canada or of the taxpayers of Canada. The ship pays the light dues if she uses the facilities; that is all.

Mr. DUFF: That is a very wise and smart remark of the Prime Minister, very wise indeed. A country is made up of individuals, whether they are ship-owners or captains or mates or sailors or prime ministers or ministers or anybody else; we are all the people of this country. My hon. friend the Prime Minister, perhaps not to-day, but not so very long ago, owned shares in ships. I know that at the convention in Winnipeg he was going to lay his all on the altar to serve Canada, and get rid of his holdings in ships and everything else. But thousands of people have shares in ships belonging to Canada, and they are taxpayers of this country. While technically the Prime Minister is right in saying that the ship pays, actually the owners of the ship pay, and not only the owners of the ship but the owners of the cargo also pay, and not only the owners of the cargo, but the consumer also pays. Consequently the Prime Minister is wrong and I am right.

Mr. BENNETT: I do not desire to take up the time of the house. I never owned shares in any ship; that is unfortunate but it is a fact. May I further remark that the Canadian Pacific ships to which reference is made are registered either in London or in Liverpool and not in Canada.

Mr. DUFF: Does the minister not own shares in the Canadian National ships as a ratepayer of Canada?

Mr. DURANLEAU: I do not want to prolong the discussion except to say that my hon. friends are wrong when they contend that this legislation would discriminate against Canada. The ships of all the countries of the world which will derive benefit from these lights will have to pay dues, so that there is no discrimination against this country. However, in order to enable my hon. friends to study the whole matter and to be better posted the next time, I move that the committee rise and report progress and ask leave to sit again.

Progress reported.

UNEMPLOYMENT INSURANCE

MEASURE TO ESTABLISH AN UNEMPLOYMENT AND SOCIAL INSURANCE COMMISSION

The house resumed from Tuesday, February 12, consideration of the motion of Right Hon. R. B. Bennett (Prime Minister) for the second reading of Bill No. 8, to establish an unemployment 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.

Mr. J. R. MacNICOL (Toronto Northwest): When the house adjourned on Tuesday evening I had just stated that the four major economic risks that confronted workers were these: first, unemployment owing to the infirmities of old age; second, unemployment owing to invalidity; third, unemployment owing to sickness; and fourth, unemployment owing to there being no work for them to do. I just wish to say a word or two with respect to the first three of these economic risks.

In regard to old age pensions, which will come up later on, all I have to say is this: When the present depression began, many men had reached the age of about sixty and under ordinary circumstances they would have remained in the employ of the companies for which they were working because of faithful service, but now as a result of the depression they are out of work and have attained the age of sixty-five, and they may never again in this lifetime receive a steady job. In view of this fact, I believe that perhaps the time has come to lower the age limit with respect to old age pensions from seventy years to sixty-five.

In reference to invalidity, I am not sure whether the proposal which the government has in the bill to inquire into the question of national health insurance covers invalidity, but I assume it does. And as regards sickness, I believe that the proposals in connection with national health will in due course cover this contingency. Certainly provision

to meet the sickness of workers, and to provide unemployment pensions for layoffs of workers who are sick, is a matter which is complementary to an unemployment insurance measure.

May I allude for a moment to something said in the earlier part of the debate, namely, the suggestion that the reserve fund accumulated as a result of collections in connection with unemployment insurance would not be material. I have been investigating the course of events in Britain between the passing of the legislation there in 1911 and the year 1920, and I find that in Britain they accumulated a reserve amounting to $100,000,000. At first, in Britain, only 2,250,000 persons were covered, and about the year 1916 some 4,000,000 were covered. Therefore between 2,000,000 and 4,000,000 working men, between 1911 and 1920, on the basis of a contribution of 5 cents per week from the worker, 5 cents from the company and 3½ cents from the government, a reserve was accumulated of $100,000,000. The legislation now before us contemplates contributions of 25 cents from the worker, 25 cents from the company and 10 cents plus cost of administration from the government. It would strike me therefore that, had the same rates been in operation in England for the nine years between 1911 and 1920, instead of $100,000,000 there would have been laid up approximately $500,000,000, with the result that what has been called the dole for British unemployed would not have placed the unemployment reserve fund in debt to the extent of $500,000,000. Had the Canadian rates been in force in England in those nine years the fund laid up in that period would have apparently been sufficient to take care of what is known as the debt resulting from the dole.

I am not a new convert to the principle of unemployment insurance. I have made a wide and extended investigation over a number of years and covering the situation not only in Great Britain but in continental Europe, and I have also made inquiries in the United States wherever I could obtain any information on the subject. As a consequence I am a convinced advocate, looking at the matter from the point of view of the man who works within the four walls of a plant, that this measure will be beneficial to the Canadian worker. I have heard it suggested that the man with a steady job may be opposed to the bill on the ground that he may not profit from his contributions. But once the act is in operation and has been in force for a year or two I believe we shall find the same situation here that developed in England: every man engaged in industry will have become a strong advocate of the act, because by that time many men will have benefited from the legislation.

I cannot see how a uniform act of unemployment insurance, an act operating uniformly in each of the nine provinces, can do anything but give eminent satisfaction; and as regards effects on the costs of production, inasmuch as the act will be uniform throughout the nine provinces there will be no discrimination in favour of one province and against another. In my experience, extending over many years and in which I have come in contact with thousands of working men, I have seen many men laid off, many temporarily and many permanently, and I am sure that no one who has had the unpleasant duty of informing a man that his services are not required even for a short time, and more especially for a long period, will fail to agree with me when I say that it is generally a serious state of affairs for the man who is so notified. I can say this, as regards employers —for my experience enables me to say this with respect to the great majority of them, and in fact I am not aware of any who do not conform to what I am about to say—that they are generally Christian, God-fearing men who, when it fell to their lot to give any man such notice, felt almost as greatly affected as the man himself.

As a sort of background to what I am saying I will mention five instances I know of. No. 1 worked for a corporation for thirty years; No. 2 worked for a corporation for twenty-nine years; No. 3 worked for another corporation for twenty-seven years; No. 4 worked for an old family company for twenty-six years; and No. 5 worked for another company for twenty-one years. In the shuffle of business, taking good times with bad times, these five concerns either merged, sold out or simply went out of business, and in every instance each of these five men lost his position and was faced with unemployment. Now, one might ask why these men had not laid by a sufficient sum to take care of themselves. Well, industry is so organized that these five men to whom I refer did not, any of them, have forty weeks' work per year; and considering that fact, together with average sickness and layoffs, they were not able to do more than put by a little, not sufficient to provide against unemployment. Unemployment insurance would have been of great benefit to these five men, as well as thousands of others.

It has been intimated by hon. members opposite that unemployment insurance has not

been adopted in this country because the British North America Act prevented parliament from doing so as a federal matter and the provinces have not enacted such provincial laws. But we know that technical education, old age pensions and certain other matters that were formerly recognized as coming wholly under the jurisdiction of the provinces, have been dealt with by the federal parliament and I believe the time has come for the enactment of federal legislation in regard to unemployment insurance so as to make for uniformity in the nine provinces and to eliminate the possibility of haphazard legislation of this kind. I am happy indeed that the government has found a way to bring this about.

It is now generally recognized that matters of this kind, particularly in a federal country, should be dealt with by a federal government. I have made inquiries and I find that in 1931 the United States chamber of commerce made a most exhaustive investigation throughout the forty-eight states and recommended to the national government that any legislation in regard to unemployment insurance should if possible issue from Washington and be uniform in each one of the forty-eight states.

Again, the governors of six of the main states of the eastern United States; that is the governors of Pennsylvania, Ohio, New York, New Jersey, Connecticut and Massachusetts, met in 1931 and made an exhaustive inquiry in the several states, in connection with the same subject, that of unemployment insurance and they recommended that it should not be purely a state question but should be enacted for uniformity, by the national government.

Then Bill No. S 2616, introduced in February, 1934, in the United States congress was a national bill. It did not pass congress, but I am informed that this year another bill is to be introduced which again will provide for a uniform federal scheme. This goes to show that the federal union of the United States, after an exhaustive inquiry, had reached the conclusion that unemployment insurance should be a federal and not a state matter.

The experience in Switzerland, which is a federal union, should be a good guide in this connection. In that country nine cantons have now compulsory unemployment insurance; fourteen cantons have voluntary unemployment insurance and the remaining two of the twenty-five cantons have none. If such a situation as that were to prevail in Canada, with one province having unemployment insurance and another not having it, anyone can see that that would not have a very beneficial effect on the people of this country. The experience in Switzerland strikes me very forcibly as a reason why legislation of this nature in a federal union should be a federal matter.

As regards the subject of unemployment insurance, I believe it had its genesis as far back as 1601 in the guardian poor laws of Great Britain and then on down through the centuries to the last couple of decades of last century and the first decade of this century when the great labour unions of Great Britain, Germany and other continental European countries adopted what they called "out-of-work benefits." I might go back too to 1831 when a great printer's union of New York state adopted an out-of-work benefit scheme. It is a remarkable fact that in 1911 when the British government adopted its first unemployment insurance act—and it was the first government in the world to do so—the royal commission that reported on the question based a great deal of its report in recommending unemployment insurance on the achievements of the out-of-work benefit schemes that had been effected in Great Britain by the great labour unions of that country. Following the adoption of unemployment insurance by Great Britain in 1911, seven continental European countries and the state of Queensland, Australia, adopted compulsory contributory unemployment insurance schemes after the manner of the British law, and eight other countries in Europe adopted voluntary contributory acts.

On the continent of North America practically nothing was done by governments until about a year ago when the state of Wisconsin adopted an act, but that act is only, at present, building a reserve. They expect to start paying unemployment insurance benefits on July 1, 1935, but outside Wisconsin no other state has adopted anything of this nature. It is true that Ohio made an investigation into the matter and introduced a bill, but it was not passed. On the other hand several of the great industrial groups in the United States have adopted unemployment insurance schemes and they have had them in operation for some time. The electrical union adopted a scheme known as the N.E.M.A. scheme. There are about three hundred companies in that union and the scheme has been in operation for a few years. I went especially to Schenectady to see originators of the scheme, the General Electric Company, and discussed the plan with them. There are fourteen companies in Rochester that have had for several years what is known as the Rochester plan. Then there is the Case plan

and all of these are different one from another, so that I am still further convinced that in a federal union the course now being taken by this government is the right one. Only two states, Wisconsin and Ohio, of the forty-eight in the republic to the south have introduced in their legislatures measures respecting unemployment insurance and only one of the two, Wisconsin, has adopted an act. The bills in these two states differ in many particulars, convincing me still further that in a federal union the law should be a federal one so that there may be uniformity.

I am going to make a comparison in a general way of some of these measures with the one now before the house. The whole theory of unemployment insurance can be boiled down to four plans. There is the plan on which the English Act is based, of compulsory contributions by the state, the employer and the worker. A similar plan is in vogue in eight countries of continental Europe, although differing in details. For instance, in Italy the government contributes nothing, according to my information, it is a two party scheme, with contributions from the employer and the worker. In Russia the plan, although I believe it is not now in operation, called for contributions from the state and from the employer but not from the worker. In Germany it is principally also a two-party plan, the worker and the employer contributing equally and the government paying a subsidy towards the cost. The best of all is the British plan because it is tripartite and is fundamentally sound. The American plan of which I spoke, the Wisconsin plan, was designed from another angle altogether, its purpose was to encourage stability of employment, and that part of the Wisconsin act I like. It was designed for stabilization. Any company guaranteeing employment for forty-two weeks in the year for not less than twenty hours a week is exempt from the Wisconsin act. Apart from its stabilizing effect I do not like the Wisconsin plan, because I wonder what will happen to employees of companies that give the guarantee and then go out of business. I am in favour of a plan such as that proposed by this government, to which the state, the employer and the employee contribute, which is based on fundamentally sound principles and backed by the government.

I do not intend to discuss the N.E.M.A. plan or the Rochester plan because both are purely company plans, and I am not in favour of company plans, but I am strictly in favour of governmental operation in a matter of this nature.

Travelling to England I had a very concrete example of what the British act means to the average worker. Everyone who travels on the ocean knows how on the first day you are out your steward comes to you perhaps once and calls you for your bath in the morning. The second day he not only does that but he might flick the dust off you once or twice. The third day he gives you a lot more attention, brings you a cup of coffee in the afternoon, and so on, but as you get closer to the British coast he attends to you very frequently. On my voyage my steward told me his ship was going to be laid up when it reached Liverpool, thus working on my sympathies, the result being that from my cabin he received two pounds. He said, "Well, it won't be so bad, because on landing I will collect my book from the company and go down to the labour office and deposit it there and after being unemployed for six days I shall start to draw." For himself and his wife and his four children his benefit would amount to $8.29 a week. I remember what the Prime Minister said that to-day adjusting for exchange rate and so on it amounts to about twenty-five per cent above the figure I have just quoted. I remember the steward's remark quite well, he said, "I can live on that until this old tub sails again."

While in the old country I made a very thorough survey of the subject. I found men in the great factories were enthusiastic supporters of the principle of unemployment insurance, that convinced me that the idea is sound.

I have here a statement showing the characteristics of unemployment insurance acts in a comparative form which I believe is of interest. It will be noticed among other things that the rates proposed for Canada are certainly favourable:

Characteristics of Unemployment Insurance Acts in Compulsory States as compared with Canada's Bill

Country:	Queensland	Austria	Bulgaria	Germany	Britain	Italy	Poland	Russia	Canada
Scope	With certain specified classes exempt, act includes all workers Over 18 years	With certain specified classes exempt, act includes all workers Covered by Health Insurance Act.	With certain specified classes exempt, act includes all workers Between 15–60	With certain specified classes exempt, act includes all workers Receiving less than $1,428 yearly.	With certain specified classes exempt, act includes all workers Between 16–65 receiving less than $1,217.	With certain specified classes exempt, act includes all workers Between 15–65	With certain specified classes exempt, act includes all workers Over 18	With certain specified classes exempt, act includes all workers All workers	With certain specified classes exempt, act includes all workers Over 16
Contributions to benefit:	cts. Employer....12·2 Worker.....12·2 State.....12·2 weekly.	Employer, worker, each equal; State, one-third of expense of management.	cts. Employer.... .72 Worker..... .72 State..... .72 weekly.	Employer—3¼% of wage Worker—3¼% of wage State, subsidy *re* cost of management.	cts. Employer.... .20 Worker..... .20 State..... .20 weekly.	cts. Employer.... .5½ Worker..... .5½ State..... .0	Employer—1½% of wage Worker—½% of wage State—½% of wage Community—½% of wage.	Employer, entire cost for industry Worker, nothing State, entire cost, in case of nationalized industries	cts. Employer..... .25 Worker ..... .25 (State, 10cts plus all of expense).
Conditions to benefit:	26 full contributions.	20 payments in 1 or 2 years. The Trades vary.	52 payments in 2 years.	52 payments in 2 years.	30 payments in 2 years.	24 payments in 2 years.	20 payments in 1 year.	2 years' continuous work.	40 payments in 2 years.
Waiting period	14 days	8 days	8 days	14 days	6 days	7 days	10 days	?	6 days
Benefits	Varies, but maximum for married man and wife, $8.49 per week, but not over half of wage per week	Varies, but not to exceed 80% wage per week.	Max. for married man 11¼ cts. per day.	Varies with wages 35% of highest wage, 75% of lowest wage weekly.	Married man $4.14 Wife.....$2.19 Child..... 0.49 plus 25% weekly.	19·6 cts. per day.	Varies from 30cts. to $1.12 per day.	Varies from $5.67 to $13.39 per month.	Man..$6 per wk. Wife..$2.70 per wk Child, 90 cts. per week.
Duration	15 weeks	30 weeks	12 weeks	26 weeks	26 to 52 weeks	90 days	13 weeks	9 months	78 to 100 days
Approximate number insured	137,000 (1931)	1,300,000 (1931)	287,000 (1931)	16,738,000 (1931)	16,000,000 (1934)	2,600,000 (1931)	1,033,000	Act not operating.	1,701,834

United States Plans

State or Plan	Wisconsin	Nema (Electrical interests)	Rochester (14 manufacturers)
Scope	All under $300 per month	All under $65 per week	All under $50 per week
Contributions	Only Company pays 2% of wage	Company 1%; worker 1% of wage	Company pays 2% on wage roll
Conditions to benefit	2 years' residence	One year with company	One year with company
Waiting period	14 days	14 days	14 days
Benefits	$5 to $10 per week	50% of wage, but not more than $20 per week	60% pf wage, but not more than $22.50 per wk.
Duration	10 weeks	12 weeks	6 to 13 weeks

A digest of these figures, Mr. Speaker, will show that the act proposed by this government, as compared with the acts in operation in other countries, should be efficient and satisfactory, and I am happy indeed to support it.

Hon. ERNEST LAPOINTE (Quebec East): Mr. Speaker, first I must say that I am a supporter of the principle of unemployment insurance. I, with other members on this side of the house, have always approved of it every time the question has been discussed or raised in this house. Unemployment insurance is no new move; it did not come as a bolt from the blue as the result of a certain atmospheric commotion one fine evening last January. It has been in force in many countries for different periods of time. The World Economic Survey for 1934, published by the League of Nations, mentions that this form of insurance is now in force in seventeen countries. In nine countries it is a compulsory system, while in eight countries it is voluntary. The United States magazine, Review of Reviews, in its January edition mentions that at present unemployment insurance schemes are being discussed in forty-eight states in the world, as well as in the congress of the United States.

In England unemployment insurance was established in 1911, after a few years of work. There it constituted part of the chain of social policies launched by the late Mr. Asquith when he was Prime Minister, after the elections of 1906, and it was presented to the House of Commons in England by Mr. Lloyd George, as Chancellor of the Exchequer, after a thorough study of the question in Germany, where the system was already in force. Indeed, it was a part of their social program of reforms, which included old age pensions, health insurance, factory acts, a companies act, and wage regulation acts. All these were put on the statute books of Great Britain by the Asquith government, which tends to show that those men, the Liberals of Great Britain, who are sometimes charged with being adepts at the policy of laissez-faire, are those who put most of the social legislation of England on the statute books of that country.

This is no radical change in the capitalist system, I assure you. Some of the nations which have the system in force are the strongest bulwarks of capitalism, and Canada is far ahead of them in the matter of advanced legislation. Nowhere has it cured unemployment; especially has it not solved the problem of a depression unemployment, such as exists at the present time. This measure cannot help those who are unemployed in Canada to-day. The government are rather unfortunate in their chain of reform legislation. They introduce the eight hour day bill at a time when the workers of Canada would like to work one day a week if they could; they introduce a bill to enforce a day of rest every week when the workmen would like to have an enforced day of labour weekly, and they introduce an unemployment insurance bill which may give something in the future to the labour men of Canada who at the present time can afford to contribute to the fund, which most of them cannot. It is, I admit, a sop to discontent. Accompanied by other legislation which would deal with the present distressing problem of unemployment this legislation would be desirable, and because I am in favour of it I wish we might have this system as a valid, constitutional instrument, and not merely what is proposed by the government to-day.

Let me tell my hon. friend who has just taken his seat that I agree with him that it is desirable that this should be a national system. There would be objections to various different provincial schemes of unemployment insurance instead of a national scheme. For instance, it would disturb the equilibrium of industrial relations in the various provinces. Labour naturally would be inclined to go to the provinces where such legislation was on the statute books, and on the other hand it is possible that employers would prefer provinces where they would not be forced to contribute to such a scheme. So it is desirable that it should be a national scheme. I agree with the view taken by members of the government until they changed their opinion in January last; a national scheme should be reached by either an amendment to the British North America Act, by some enabling legislation on the part of the provinces or by some understanding with the provinces in order to establish a scheme which would be acceptable to everyone in this country.

A constitutional aspect was raised on various occasions in this house by the members of the government. There was the question of property and civil rights, which no one can deny not only enters into the discussion of this matter but is the mainstay of the whole proposal. The scheme relates to relations between employers and employees, and more so when it is a compulsory scheme, as the one which we are discussing to-day.

How has the government tried to get around this difficulty? I was hoping my right hon. friend opposite would give some further explanations when he moved the second reading of the bill. When speaking on the resolution he said that he did not want to anticipate the longer explanations he would give when the bill was under discussion. My right hon. leader has raised the question, and I was hoping some member of the government would give the house the reasons upon which they base their new found claim to jurisdiction in the matter. However, not having received that, I must rely on the preamble of the bill, a very long preamble in which the government tries to find justification for the legislation mainly on two points, first on sections 23 and 427 of the treaty of peace and secondly on the provision of peace, order and good government of Canada.

As I am limited to forty minutes in my observations I am afraid I have not the time to make complete quotations. However article 23 states that the members of the league:

(a) will endeavour to secure and maintain fair and humane conditions of labour for men, women and children, both in their own countries and in all countries to which their commercial and industrial relations extend, and for that purpose will establish and maintain the necessary international organizations;

But they do not specify the manner of doing so. Subsection (a) is preceded by two lines which qualify the whole article:

Subject to and in accordance with the provisions of international conventions existing or hereafter to be agreed upon.

The article I have read is subject to the qualification that the whole arrangement is subject to and in accordance with the provisions of international conventions existing or hereafter to be agreed upon.

Then article 427, the last article in the labour part of the treaty, merely enunciates a principle. It states:

The high contracting parties recognizing that the well-being, physical, moral and intellectual, of industrial wage earners is of supreme international importance, have framed, in order to further this great end, the permanent machinery provided for in section 1 and associated with that of the League of Nations. They recognize that differences of climate, habits and customs of economic opportunity and industrial tradition,—

—enter into a consideration of the case. I have not the time to read it all. Then they continue:

But holding as they do, that labour should not be regarded merely as an article of commerce, they think that there are methods and principles for regulating labour conditions which all industrial communities should endeavour to apply, so far as their special circumstances will permit.

Then they indicate nine goals as being desirable to reach,—the eight hour day, the weekly day of rest, the abolition of child labour, and so on. But unemployment insurance is not even mentioned in the goals which are outlined to the nations of the world as being desirable. The article concludes by stating:

Without claiming that these methods and principles are either complete or final, the high contracting parties are of opinion that they are well fitted to guide the policy of the League of Nations.

And so on. Where do we find there an obligation to enact employment insurance legislation? I do not wish to enter upon the same line of argument I used a few days ago in connection with another matter, but I repeat that it is only the obligation which creates the jurisdiction in favour of this parliament.

Section 132 of the British North America Act reads as follows:

The parliament and government of Canada shall have all powers necessary or proper for performing the obligations of Canada or of any province thereof, as part of the British empire, towards foreign countries arising under treaties between the empire and such foreign countries.

There must be obligations binding on Canada as a result of conventions or treaties with foreign countries which bind Canada. I am surprised to find the following words in the preamble of the bill:

And whereas it is desirable to discharge the obligations to Canadian labour assumed under the provisions of the said treaty.

To discharge obligations of Canada to Canadian labour is a noble act, but it is not covered by section 132. What gives jurisdiction to this parliament is the obligation of Canada towards foreign countries, not towards any class of the population in Canada. It is not stated in the preamble that Canada had any obligations towards foreign countries as a result of sections 23 and 427 of the peace treaty. My hon. friends cannot even argue that there is a draft convention, as they did in connection with the eight hour day. There are draft conventions but for a reason better known to the Prime Minister they have not been approved by the house, have not been laid on the table of the house and can give no authority or jurisdiction to parliament. I need not deal with that part of the question at all.

How could Canada be bound to an unemployment insurance scheme? There are 50 member nations of the League of Nations who

are obligated by the peace treaty, 66 per cent of whom have no unemployment insurance schemes. I repeat that there is nothing binding, but that a goal has been shown to the members as being desirable.

Then there is the further point, namely the jurisdiction resulting from peace, order and good government. Although I do not wish to repeat what I said a few days ago I should like to read part of section 91 of the British North America Act:

> It shall be lawful for the Queen, by and with the advice and consent of the Senate and House of Commons, to make laws for the peace, order and good government of Canada in relation to all matters not coming within the classes of subjects by this act assigned exclusively to the legislatures of the provinces.

And in most of the decisions of the privy council regarding jurisdiction which have gone against the contention of the federal parliament it has been specially stated—and the matter is so clearly expressed in the section there can be no doubt—that those laws for the peace, order and good government must be in relation to matters not coming within the classes of subjects assigned to the legislatures. Surely property and civil rights are one subject which is specifically assigned exclusively to the provinces under section 92 of the British North America Act.

I shall not refer again to the various decisions of the privy council except perhaps to the Snider case in 1925 where one of the tests of provincial jurisdiction was that the matter of industrial disputes was one that could be dealt with separately by any province, and however desirable it would be to have national legislation with regard to it the fact that it could be dealt with by any province took away the claim to jurisdiction set forth by the federal parliament. Is it not the same in this matter? Does anybody claim that the provinces would not have the right to have an unemployment insurance scheme of their own? Obviously they have that right. Nobody can challenge that, and because of that, the thing cannot be changed into a federal matter merely by a stroke of the pen here, by the will of the government.

My hon. friends opposite rely on the two aviation and radio cases. The judgment in the first was delivered in November of 1931, and the judgment in the second on the ninth of February, 1932. I do not want to discuss this thing over and over again except to say that in both cases there was a binding convention; there was a treaty in respect to aviation, and there was a convention in respect to radio signed by ninety countries and ratified by His Majesty the King. Canada was bound by the provisions of those two treaties, and those were the reasons for the judgments that were delivered.

I do not want to quote any of the remarks of the judge except one. My right hon. friend the Prime Minister, at page 642 of Hansard of February 8, 1935, quoted the remarks of the Lord Chancellor in the aviation case, but obviously he was led astray by the officers or the secretaries who looked up the quotations for him because between two paragraphs there has been eliminated a most important one which changes the whole complexion, and I should say the whole meaning of the quotation. I am going to read what was eliminated and I hope that anybody who reads my right hon. friend's speech that was delivered on Friday last will insert these words in the quotation on page 642 at the bottom of the second column where the three dots are. The quotation I am going to read is more voluble than the three dots:

> Inasmuch as the act embodies a compromise under which the original provinces agreed to federate, it is important to keep in mind that the preservation of the rights of minorities was a condition on which such minorities entered into the federation, and the foundation upon which the whole structure was subsequently erected. The process of interpretation as the years go on ought not to be allowed to dim or to whittle down the provisions of the original contract upon which the federation was founded nor is it legitimate that any judicial construction of the provisions of sections 91 and 92 should enforce a new and a different contract upon the federating bodies.

That disposes of the claim that because Canada in common with the rest of the world has widened her activities and developed tremendously, it follows that the British North America Act also has widened and developed and should be changed. It is true that Canada has developed and has widened her activities. But the British North America Act is as it was, and until it is amended in the proper way, which I do not oppose, I say to the government that the only way for this legislation to be enacted as they are trying to do, without the cooperation of the provinces, is by an amendment to the British North America Act. But so long as that act remains there, it is our constitution, and there is no widening process nor development that can change it without new action on the part of those who agree to changing it.

The right hon. the Prime Minister in introducing the resolution said that the law officers of the crown are of the opinion that this legislation is within the jurisdiction of this parliament. Well, if that is so, they have changed their minds, for on the tenth

of May, 1928, in the committee presided over by my hon. friend from North Battleford (Mr. McIntosh) the Deputy Minister of Justice, Mr. Edwards, was heard, and I quote these three words from his remarks:

Mr. Heaps: If I understand the statements here this morning correctly I would interpret your remarks to mean that the federal government has not authority to impose dominion-wide legislation, or has not authority to impose compulsory unemployment insurance, or sickness insurance?

And the answer of the Deputy Minister of Justice was:

Yes, that is correct.

On April 23, 1929, the same Mr. Edwards, the Deputy Minister of Justice, was again heard by the same committee, and he referred to his evidence of the preceding year and stated that he adhered to what he had said at that time.

Now I come to the Minister of Justice (Mr. Guthrie) who is the head of the law officers, and I am going to quote from his remarks in this house on March 22, 1933, and my hon. friend will not be able to say now that he held these views because he had not received or read the judgments in the aviation and radio cases because this was more than a year after the radio case and eighteen months after the aviation case. I quote from pages 3294 and 3295 of Hansard of March 22, 1933:

Mr. Guthrie: As the department over which I have at the moment the honour of presiding is and has been for some time looking into this question of unemployment insurance, may I say a word in regard to the matter. The difficulties in the way of a federal system of unemployment insurance are very serious if such a system is to be carried out on a contributory basis which, I believe, is the only method which would be approved by parliament, that is, contributions by employees, by employers, by the federal treasury and perhaps as well by the provincial treasuries. To inaugurate and carry out a scheme of that kind without provincial consent and without an amendment to the British North America Act would be impossible. Parliament cannot force employers to contribute nor can it force employees to contribute. These are matters entirely within the jurisdiction of the various provinces, and unless the provinces are willing to surrender some of their rights, their powers, it is impossible without an amendment to the British North America Act to carry out any scheme under the jurisdiction of this parliament. I noticed the leader of the opposition stated in his opening remarks that it would be just as easy to carry out an unemployment insurance scheme as to carry out on old age pension plan.

Mr. Mackenzie King: No, I said the very reverse; I said that it would not be as easy to carry out an unemployment insurance scheme.

Mr. Guthrie: That is the corrected opinion of my right hon. friend after the Minister of Labour had spoken.

Mr. Mackenzie King: No, it is not. With all deference to my hon. friend, if he will look at the record, he will see that I said that the same questions of jurisdiction and methods of procedure arise in each case.

Mr. Guthrie: The same questions do not arise. In the old age pension scheme the question was simply this: the federal government will contribute certain money and the provincial governments will contribute certain money. The difficulty was overcome by a dominion act and a provincial act. That was all there was to the matter. This plan of unemployment insurance involves not only the question of government contribution, but compulsory contributions by employers and employees, which is a matter of purely provincial jurisdiction. I am disclosing no secret when I say that at the conference the provinces were not prepared to give up those rights nor to agree to any amendment to the British North America Act for that purpose. Very serious discussions took place, and while the question was advanced, it certainly was not advanced to the point of agreement, no agreement being reached on the subject. Until we have a solution of these two questions: the power to assess the employer and the power to assess the employee, I do not think there is much hope of a federal unemployment insurance scheme. If we can overcome those difficulties; if we can reach an arrangement upon those two questions, then I think the field is fairly clear and satisfactory legislation can be formulated. But until we have those questions cleared up, I do not think very much advance can be made.

That was the opinion of the Minister of Justice, expressed in March, 1933, and the leader of the opposition has quoted statements to the same effect, made by the Prime Minister on two occasions, on April 29, 1931, and on November 22, 1932—all, except the 1931 remarks, after the two judgments on radio and aviation. But there is more than that on the part of the Prime Minister. There is his letter, dated August 31, 1934, to the provincial premiers, in which the question of unemployment insurance is raised. I will read three or four of the first paragraphs of that letter:

As I indicated at the meeting with the provincial premiers in July last, it is my purpose to call a conference of representatives of the governments of all the provinces to meet at Ottawa before the end of the year to discuss with the federal government the following questions and such other matters as may be placed upon the agenda after I have been advised of the views of the premiers of the several provinces:

1. What steps can be taken to reduce the evils of duplicate taxation and provide a more logical allocation of sources of revenue now available to dominion and provinces?

2. Are the provinces prepared to surrender their exclusive jurisdiction over legislation dealing with such social problems as old age pensions, unemployment and social insurance, hours and conditions for work, minimum wages, et cetera, to the dominion parliament? If so, on what terms and conditions?

3. Is it desirable to endeavour more clearly to define the respective jurisdiction of the dominion parliament and provincial legislatures with respect to health and agricultural and other matters in which there is a duplication of effort by federal and provincial authorities?

I have not time to read it all, but my right hon. friend said the other day that when he wrote paragraph 2 he was speaking—

Mr. BENNETT: No, the whole letter.

Mr. LAPOINTE: Well, the whole letter then—he was speaking for the provinces; he was stating the case of the provinces. My right hon. friend in paragraph 2 says:

Are the provinces prepared to surrender their exclusive jurisdiction over legislation dealing with such social problems as old age pensions, unemployment and social insurance, hours and conditions for work, minimum wages, et cetera to the dominion parliament?

And in paragraph 3 he makes this statement:

Is it desirable to endeavour more clearly to define the respective jurisdiction of the dominion parliament and provincial legislatures with respect to health and agricultural and other matters in which there is a duplication of effort by federal and provincial authorities?

Paragraph 2 was referring to matters which are exclusively under the provinces, and No. 3 was referring to concurrent matters on which both the federal and the provincial governments have authority. I invite you, Mr. Speaker, I invite every member of this house, I invite the Dominion of Canada to read this letter and say what other meaning can be attached to what the right hon. gentleman said. And while he was writing that, only a few months ago, my right hon. friend, having stated at almost every session that the matter was purely a provincial one, made the statement on the radio in January that this program of reform he had been unable to deal with because of the storm which had prevailed during these last four years, in which he had to steer the ship. Well, was it the storm or the British North America Act which was the obstacle in the way of this reform legislation? It appears, by every declaration, not only by the Prime Minister, but by the Minister of Justice, by the Deputy Minister of Justice and by other members of the cabinet, by the Secretary of State, that the constitution was the obstacle that was in the way. The Secretary of State, who is a very distinguished lawyer, spoke in Montreal before the Young Men's Canadian Club at the Queens hotel in November last, when he absolutely took the stand that these matters are exclusively under the jurisdiction of the provinces. The Secretary of State uses energetic language at times and I like him for that. Let me read his concluding words:

On the other hand, there are political and social propagandists—blind leaders of the blind—who are persistent in their efforts to procure the dominion parliament to pretend to appropriate and illegally to exercise powers which are exclusively vested in the provincial government. One of these, to whom I recently suggested that a certain course of action was unconstitutional, made reply: "To hell with the constitution!"

I apologize to you, Mr. Speaker.

In these days of social unrest, when people who are suffering are insistent on reform and impatient of delay, those who believe that evolution is more effective than revolution must again and again and persistently demand that municipal authorities assume their full responsibilities in municipal matters, provincial authorities assume their full responsibilities in provincial matters, and dominion authorities there full responsibility in dominion matters.

It is a proper matter for intelligent discussion as to whether the exclusive power of the provinces in matters of social reform should be considerably curtailed, and the powers of the dominion correspondingly extended. Meanwhile, until the British North America Act is amended by constitutional methods, no good purpose can be served by either the dominion parliament or the provincial legislatures attempting illegally to exercise powers now fully vested in the other or others of them.

This is from the Montreal Gazette of Tuesday, November 27, 1934. Of course I admit that I have the greatest admiration for my right hon. friend; he is, as we all know, a distinguished jurist, but I have an admiration for his opinions as expressed last year, the year before and the year before that rather than for the one he expresses to-day on the eve of a general election in order to promote a new program of reform.

The other day I heard the Minister of Finance, replying to a motion for the nationalization of banks and explaining why the Bank of Canada had not been made entirely publicly owned, say there might be danger on the eve of a general election; the temptations might be great. He said: Governments are composed of men; they are human and might yield to certain demands to which they would not yield at other times. Perhaps the nearness of the elections has something to do with this new move on the part of the government.

But let me ask this question of my hon. friends opposite. We all say it is desirable that this should be a national system. What

if some of the provinces, not having been consulted, not having been asked to co-operate, this scheme not having been submitted to them in any way, decide that they will enact their own schemes of unemployment insurance? Nobody will deny that they have the right to do so; nobody can say that they have not the right to do so. What will be the consequence? There will be chaos, confusion; and will that be advantageous to labour and to the industrial situation of Canada? The government cannot plead emergency on questions of present relief. We have unemployment all over the land. Yesterday I received a letter from the officers of the council of my own city of Quebec pointing out that the number of people on relief is just as large as it was last year at the same time. We have a problem of relief, and the government might argue that there was an emergency as regards relief for unemployment, but not an emergency for a scheme of unemployment insurance which will be operative only in future years and when probably times will have become normal, more particularly because with such a scheme you cannot solve a problem of unemployment created by depression but can solve only a problem of temporary unemployment created by social conditions or changes in factories where people are employed

My right hon. friend said to the board of trade in Montreal the other day that before he changed his mind on many of these questions he had had conversations with Mr. Litvinoff of Russia, Sir Stafford Cripps and Mr. Strachey.

Mr. BENNETT: That is not correctly reported. I had not conversations with Sir Stafford Cripps, but I said that Sir Stafford Cripps and Mr. Strachey had made speeches in Canada.

Mr. LAPOINTE: I hope my right hon. friend is not taking his inspiration from Sir Stafford Cripps.

Mr. BENNETT: No.

Mr. MITCHELL: Why not?

Mr. LAPOINTE: Because Sir Stafford Cripps has preached in Great Britain that the only way for those who are within his group to put into effect their social legislation will be to suspend the constitution of the old country the very day after the election. He said so; he wrote it, and I will show it to my hon. friend, although I have not time to do it now. Sir Stafford Cripps was repudiated by labour at the annual meeting afterwards. If he goes too far for labour in Britain, I am sorry that my right hon. friend should take his inspiration from him on questions of this kind.

Mr. BENNETT: That is hardly fair. The hon. member surely does not wish to misrepresent me. I said that Sir Stafford Cripps had spoken strongly on the socialistic side. I did not give my approval. On the contrary I said that I was wholly opposed to it and I said that very clearly too.

Mr. LAPOINTE: I am pleased my right hon. friend so states, but once again he has been misquoted in the press.

Mr. BENNETT: Those who were present will tell my hon. friend what I said.

Mr. LAPOINTE: I repeat that the only way to deal with this question properly would be either by an amendment to the British North America Act in order to have valid legislation or by passing our legislation after having had an understanding with the provinces by way of enabling legislation or otherwise.

I am sorry my time is short. I should have liked to place on Hansard a quotation from what the Secretary of State said when some hon. members in the far corner in 1932, two years ago, preached that this dominion should simply assume jurisdiction as to the water powers of the province of Quebec and deal with them as if we had jurisdiction. This is what he replied:

> It is not for me to say that that contention is valid until it is finally passed upon by a judicial court of final appeal. But when the hon. member for Winnipeg North Centre suggests that we should take that property and that right, leaving the province to contest our taking of its property, that is simply making the appeal which the ordinary burglar makes when he enters a house and takes property which he knows does not belong to him, leaving it to the householder to put the burglar out and to protect his chattels. I feel sometimes in sympathy with the hon. member for Winnipeg North Centre when he suggests, in regard to the protection of labour in this country, certain social improvements, but that proper end cannot be attained by burglary and theft such as he has advocated in this house to-night.

That is exactly what the government is doing now. The government know there is a considerable body of public opinion in Canada which says that this is a provincial matter. In addition they know the law officers of the various provinces claim that this is a provincial matter, but they simply say, ego nominor leo—my name is lion; I assume the authority; I am passing the legislation. That is the same psychology as that of a lynching

mob—to assume powers, even when one does not know whether he has them or not. I am sorry I cannot conclude my remarks at this time.

At six o'clock the house took recess.

After Recess

The house resumed at eight o'clock.

Mr. W. A. BEYNON (Moose Jaw): Mr. Speaker, the right hon. leader of the opposition (Mr. Mackenzie King), in his address the other day gave a number of reasons, or alleged reasons, why he had not proceeded to do during his regime what he so strongly urged this government to do immediately after they took office. The first of those reasons was the financial situation: I shall touch on that very briefly.

The right hon. gentleman said it was necessary to balance the budget and to take care of the obligations of the government before venturing upon any new scheme. The budget was balanced, he tells us, in 1924. From that time on he had various other reasons for not proceeding, to which I shall presently refer. It is remarkable, however, that while the party opposite could not proceed with social legislation because of financial conditions, in the last year of their term of office they were able to authorize the Canadian National Railways to spend $205,000,000. That authorization is remarkable in view of the statement made by the right hon. gentleman on Tuesday last, when he said the following, as reported on page 737 of Hansard:

> In order that I may not be misunderstood, may I make clear that if we are to economize, as I think we shall probably be compelled to do all around, the last place at which I think economy should begin is with respect to social services. I think great care should be taken to see that those persons in the country who are less fortunate than their fellowmen are the ones to receive the first concern of the government.

That was the right hon. gentleman's view on Tuesday last. But he could not launch such a scheme as this in 1929, although he could authorize the Canadian National Railways to spend $205,000,000. The next reason he offered was want of jurisdiction. I shall refer to that briefly at the conclusion of my remarks: I pass it for the time being.

The next reason he offered was somewhat akin to the first. He said that very difficult matters were pending between the provinces and the federal government; that in the western provinces the question had arisen respecting the return of the natural resources to the

provinces, and while that was pending he thought it unwise to launch any scheme that would involve a question of jurisdiction as between the dominion and the provinces. He said also that in the east there was the question of maritime rights that had to be settled, and for that reason also he was not prepared to launch any new scheme of social services.

The fourth reason he gave is more remarkable still. He said that during the years 1921 to 1925 he had practically no majority in the house. He said he had a majority of but one. The balance of power then was held by hon. gentlemen who sit to the left of the official opposition, and he said that with that small majority of one it was unsafe for him to launch any measure pertaining to social services. So apparently the responsibility rested upon hon. gentlemen sitting to the left of the official opposition; he did not feel that he could depend upon their support for his social legislation. It is remarkable, though, that the only resolutions dealing with social services during that period, the only moves that were made along that line, emanated from those hon. gentlemen who held the balance of power. Yet while they were urging these resolutions and forcing them upon the attention of the government he was afraid to bring in measures such as these for fear hon. gentlemen to the left of the official opposition would not support measures which they themselves had suggested! It is interesting to note what he said on that subject. At page 740 of Hansard the right hon. gentleman said:

> It is one thing to be in a position to bring in extensive schemes on any subject when as prime minister one has behind him a majority of thirty or forty members who at a nod will do as he wishes; it is an entirely different thing to attempt the passage of such measures when a prime minister has for himself and party a majority of only one, or no majority at all.

From that remark I gather he expects when he has a majority of thirty or forty they will obey his will at a nod. Yet we have heard them time and again in this house complain that the government party stands behind its leader, whom they accuse of being a dictator, a Mussolini and all that sort of thing, just because the members who sit with him on this side of the house are prepared to stand behind him to put through the program which the government initiates.

The next reason given by the right hon. gentleman was a yet more remarkable and more vital one. He said, If I did pass this legislation I did not know what the Senate would do. I refer to page 740.

Mr. WOODSWORTH: Is it good practice that we should quote from Hansard of this year?

Mr. BENNETT: It is in the same debate, not another debate.

Mr. BEYNON: The right hon. gentleman said:

> May I point out the further fact that to become law legislation has to pass both houses of parliament, and the Liberal administration of which I was the head had to consider with respect to all legislation the reception which would be given in the other chamber. . . . If in the earlier years we had attempted anything more than we did I do not know what would have happened.

Then he quoted an English statesman as having been fearful of the reaction of the House of Lords. Now that simply means that while there was a Conservative majority in the Senate the right hon. gentleman felt he was not safe in introducing in this house any reform legislation. The situation we have to-day is that the Conservative party has a majority of twelve in the Senate, and there are some twelve or thirteen appointments to be made. I think I am fairly safe in saying that the majority of those appointed will be Conservatives, so that when this house is dissolved the Conservatives should have a majority of some twenty-five in the Senate. Therefore I think it important that before the people of this country go to the polls they should know that as the Senate is then constituted the right hon. gentleman will not feel safe in bringing in any reform legislation for the next twenty-five years.

Mr. McINTOSH: We shall abolish the Senate.

Mr. BEYNON: The situation will be such therefore as not to warrant the right hon. gentleman in introducing any reform legislation at all.

Mr. DUPUIS: The abolition of the Senate will fix that.

Mr. BEYNON: We did hear something before about reforming the Senate, and all the right hon. gentleman had to say at the end of nine years was that the Senate was so bad that he could not do anything on account of it.

The right hon. gentleman made a mistake which is frequently made when a man is making out a case, that of making out too good a case. He said that as far back as 1931 he urged upon the Prime Minister that he should take immediate steps in this matter of unemployment insurance, that he should call a conference of the provinces and try to get them to agree, and that he should proceed to consider amendments to the British North America Act and to settle once for all the question of jurisdiction. I ask hon. gentlemen to note that that was the right hon. gentleman's first year in opposition. Let us see what he had to say in his last year of power, just a few short months before he made that speech in 1931 to which he referred, in which he urged upon the Prime Minister what he ought to do. I quote now from Hansard of 1930 at page 106. The hon. member for Winnipeg North Centre (Mr. Woodsworth) asked this question:

> Mr. Speaker, in view of the statement of the Prime Minister regarding unemployment insurance, which he made yesterday to a western delegation, will the federal government take the initiative in calling a special conference to consider this problem?

That was a straight question, and the reply was rather remarkable. The Prime Minister of that day, the present leader of the opposition (Mr. Mackenzie King) said:

> Perhaps the hon. member will intimate what that statement was.

Almost twenty-four hours had passed and he had forgotten what he had told the delegation from the west. Then the hon. member for Winnipeg North Centre (Mr. Woodsworth) said:

> As I understand the statement, it was to the effect that the federal government was very much concerned in the matter of unemployment and believed that one of the solutions was a system of unemployment insurance and that the government would be willing to take any steps possible towards bringing about an understanding between the provinces and the federal government. I want to know if the government will be willing to undertake the calling of a special conference so that this matter can be expedited.

Following that we have the last official pro nouncement by the leader of the opposition when he was in power, as to what he proposed to do in regard to unemployment insurance. Here it is:

> My recollection is that a special committee of this house considered this question last session and brought to the house a report to the effect that unemployment insurance was necessarily a matter with which provincial governments rather than the federal government would have to deal. 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—

That is a little different from what he is saying to-day.

> —to which system not only the employer and the governments concerned would contribute but the worker also.

This is what he proposed, however, and this is very interesting in view of the wonderful advice he gave the Prime Minister in 1931, a few short months later, as to what should be done:

If the provinces make a move in this matter and it appears that the federal government can be of assistance—

You see, first the provinces were to move, not the Prime Minister.

Mr. DUPUIS: Yes, but—

Mr. BEYNON: I shall be obliged if the hon. gentleman will just keep quiet and let me continue:

If the provinces make a move in this matter and it appears that the federal government can be of assistance in helping to bring about uniformity as between the provinces of any plan proposed, or can cooperate in other ways in any discussion on the subject, we shall be glad upon invitation to take the matter under consideration.

That is the extent to which the right hon. gentleman was prepared to go in 1930, the last year he was in power. Neither he nor his party intended to make a move; they were leaving it to the provinces to formulate a plan and to invite him to come in and, by discussion, help them cooperate between themselves, and he would only come in upon invitation. That is the man who, a few short months later, found that there was a great obligation on the part of the Prime Minister of this country to call conferences, to investigate the jurisdiction in order to settle that question forever and, if necessary, to amend the British North America Act.

I was rather struck with the very fervent and rather poetic peroration of the right hon. gentleman which appears at page 754 of Hansard for this year. Referring to the bill brought in by the Prime Minister the right hon. gentleman said:

In the circumstances, I say to the Prime Minister that in these days of stress and anxiety and suffering for the mass of the people, they are crying for bread and he is giving them a stone. They are crying for fish and he is giving them a serpent—

Those words sounded rather familiar to me; I thought perhaps I might have heard them in some former incarnation, but I discovered that I had heard them in this house. In 1932 the right hon. gentleman made a similar peroration, and at the end of his address in connection with the unemployment and farm relief measure, he said:

The women and children who are suffering in this country to-day have asked the Prime Minister for bread, they have asked him for work, but he has given them not even a stone or a serpent; he has given them an extinct enactment, he has given them a dead statute.

That was at page 704 of Hansard for 1932. I might suggest to the right hon. gentleman that a man who sees serpents so frequently is in rather a critical state of mind. I might also suggest to the right hon. gentleman that when he made that statement in 1932 he was belittling the statute then before the house to reinstate the farm relief and unemployment measure of the previous pear. My right hon. friend made the very dramatic statement that the Prime Minister was giving the people a dead statute when they wanted bread. I should just like to recall to his mind the fact that the dead statute fed and clothed many hundreds of thousands of people in this country. At that time he said the Prime Minister would not even give the people a stone or a serpent. In his speech on Tuesday he admitted that the Prime Minister now is giving them a stone and a serpent. Well, if the dead statute so far exceeded the expectations of the right hon. gentleman what may we not expect from the stone and the serpent?

There is one other point I should like to mention, Mr. Speaker. The right hon. gentleman complains that the Prime Minister has offered a stone and a serpent. I ask any member of this house or any electors throughout this country to read the speech delivered by the right hon. gentleman in 1930 and see if they can find out what he intends to give the people as a substitute.

One other thing struck me very forcibly in the remarks of my right hon. friend, as well as in those of the ex-Minister of Justice (Mr. Lapointe) this afternoon. That hon. gentleman dealt at very great length with the constitutional question. Every word of that address and a great part of the address of the right hon. leader of the opposition, was predicated upon the assumption that, immediately this statute is passed, the people of this country are going to try to destroy it. It seems to me that the members of this house ought to represent pretty well the views of the people, and when every party is claiming the honour of having fathered this legislation it is a strange assumption to make that the people whom they represent are going to set out to destroy it. Why, the hon. member for Winnipeg North Centre and the hon. member for Wetaskiwin (Mr. Irvine) were almost vying with each other as to who originated this scheme, and we have no fault to find with that. But it must seem strange to the people of this country that all parties in this House of Commons should vie

with each other in commending this legislation, in supporting the very principle behind it and declaring that if it is to be effective it must be national and not provincial. That is the one point upon which all are heartily agreed, and yet we are told that the people whose views hon. members of this house are supposed to represent are going to set out to destroy this measure. And it is not merely this particular measure, with any faults the opposition may think it has; if they destroy it they destroy the whole principle. If they attack its constitutionality they make the enactment of any statute of the kind utterly impossible. I do not believe the people of Canada will tolerate that attitude on the part of any political party or group. I believe they will insist that hon. members who have supported the measure, their followers and their lieutenants in the provinces, continue to take the same stand, namely that this legislation is for the benefit of the Canadian people, and I believe the Canadian people will not tolerate any attempt to destroy it.

This afternoon the ex-Minister of Justice made a very strong plea for the constitution. He said Canada had grown and developed but that the constitution had stood still. Every constitution in the world is subject to two dangers. One is the reckless and thoughtless disregard for the constitution. I do not believe any party in this chamber can be charged with that. I am sure all hon. members will agree that the constitution has never been endangered by the introduction of legislation for the masses of the people. The second danger, however, to which every constitution is subject is that of holding so rigidly to its letter and form that it becomes subversive of all measures for the amelioration of the wants and needs of the people. To my mind that is the greatest danger which can threaten any constitution. So long as it meets the needs of the people and brings relief where relief is required, the danger is not great, because there is a sufficient body of sound and sane opinion behind it. But the danger is very real when we hold to the letter and form to such an extent that the constitution becomes not a bulwark of the liberty of the people but simply an obstacle to all progress and all reforms tending to alleviate suffering. That I believe is the only real danger facing our constitution to-day. I should be interested to know who throughout the length and breadth of the land are so completely out of touch with the general sentiment in Canada—because either they or every hon. member in the house is out of touch with it—that immediately the statute is passed they will rush to the courts in an attempt to destroy it.

Mr. CAMERON R. McINTOSH (North Battleford): Mr. Speaker, I do not intend to follow in detail the remarks of the last speaker, the hon. member for Moose Jaw (Mr. Beynon) further than to say that when he talks about the importance of unemployment insurance between the years 1922 and 1930, when the Liberals were in power, he is not talking sound sense, for the simple reason that in those days there was very little unemployment in Canada about which to talk, or which necessitated putting into practice a measure of this kind.

Mr. SHAVER: Will the hon. member permit a question?

Mr. McINTOSH: Also, Mr. Speaker, if between the years 1922 and 1930 the question of unemployment insurance was not of paramount importance in the practical politics of Canada—and it was not—then it ill behooves the hon. member for Moose Jaw to rise in his place and attempt to indicate that because unemployment insurance legislation was not introduced in those years the Liberal party, and my right hon. leader, were loath to introduce it. When there is no necessity for a measure, why introduce one, and especially at a time when there was being carried out in this country a great policy of industrial and railway development involving millions and millions of dollars?

Mr. SHAVER: Would the hon. member permit a question?

Mr. McINTOSH: No, I have the floor and my time is short. Further, Mr. Speaker, the hon. member who preceded me made the statement that the country and the electorate would come to the support of the Conservative party because the members of that party sitting in parliament are supporting this Bill No. 8. Well, if they do, they will show an entirely different disposition to that which was shown in any of the by-elections during the past four years.

Mr. ROWE: That is getting old.

Mr. McINTOSH: No, it is not. With these remarks I shall proceed to discuss the bill before the house. As chairman of the industrial and international relations committee which sat between the years 1922 and 1930 I find it refreshing to see ministers and hon. members to the right of Mr. Speaker rising in their places in this house and espousing the cause of unemployment insurance. It

is an attitude vastly different from the one they took for eight years in the history of this Canadian House of Commons. Before I have completed my observations this evening I shall show that from a parliamentary standpoint their position on this question is anything but sound, is not historic and is not encouraging.

An hon. MEMBER: Anything else?

Mr. McINTOSH: Yes. When one recalls the political somersaults hon. members opposite have taken in the last four years one cannot help but think of the biblical quotation: can the Ethiopian change his skin or the leopard his spots? If one were actually to believe that the attitude of hon. members opposite is sincere he would have to come to the conclusion the answer is that the Ethiopian can change his skin and the leopard his spots. I believe however that the Canadian people will have some doubt about that, and for that reason I think the matter is worth looking into very carefully.

When one comes to a discussion of unemployment insurance and like matters it is well to consider whence the Conservative party has come.

Mr. MACKENZIE (Vancouver): Where are they going?

Mr. McINTOSH: That is very important too.

Mr. COTNAM: It is where we are going that counts.

Mr. McINTOSH: In the words of the poet, whither are our friends going? In the historic Conservative party of Great Britain the word "Conservative" was the most dominant. The party was supposed to be a Conservative party in opposition to the subversive policy of the Whigs. Then at a later time the Conservative party took on the name of the constructive and positive party with regard to constitutional reform as opposed to the radicalism of the Liberals. There is their basic history in a constitutional sense. In other words they were—and are still—the party of laissez-faire. They wanted to conserve and stand on the same platform politically forever and ever almost, while the Liberal party was ever going onward, making progress and putting through radical measures on behalf of the people.

In regard to the basic social and political policies of the Liberal party as the British party of parliamentary reform, all we need to know is that the Liberal party has always stood for a policy of peace, retrenchment and reform. These principles have always been fundamental in the evolution of the party and they are as fundamental to-day as ever. The Liberal party has always stood for international peace and justice based on national honour and national self-respect. In a reform or retrenchment sense Liberals have ever stood for lowering government expenditures, cutting down the national debt and the national interest and lowering taxation. And the Liberal party stands by these policies yet.

In the way of constructive reform all one has to do is to read British history from 1800 to 1832 and onward through the times when Lord John Russell, Sir Robert Peel, Palmerton, Gladstone, and later Asquith and Lloyd George piloted the Liberal party in Great Britain. The Liberal party has continually stood for civil and religious liberty; for a belief in human personality; for a belief in the value of human energy; for the state creating conditions which would be more satisfactory for the average worker; for standing by the mastery of each individual's capacity, as well as for establishing a real policy of equality of opportunity. Down through the period of British history this policy of sound radicalism or sound reform on the part of the Liberal party was continued—right down to the war and subsequently. Liberal policy was at the back of practically every article of the treaty of peace. The Liberal party stood for fair and humane labour conditions for men, women and children abroad and in their own country; for the just treatment of the natives of territories under their control; for the supervision of the traffic in women and children; for the supervision of the traffic in opium and other dangerous drugs; for supervision of the traffic in arms and ammunition; for taking a stand on behalf of controlling international disease and ill health The physical and intellectual welfare of industrial workers in Great Britain and in the world was likewise espoused, and the necessity was urged for action on the fundamental causes of national and international unrest. That is why the Liberal party later gave all its support to the labour portions of the peace treaty and took the stand that labour should not be looked upon as a saleable commodity. Liberalism was constantly upholding the right of free association for employers and employees; a reasonable standard of living; the eight hour day and the forty-eight hour week, and a weekly day of rest. It stood further for equal remuneration for work done by men and women, and

for equality of treatment for all workers; for the rigid inspection of factories in which industrial employees were working.

The Liberal party in Canada has also a substantial policy in the way of peace because its plank in that regard is as follows:

The Liberal party will seek to further wherever possible those courses in international relations which make for peace and good will among nations, and promote friendly intercourse between them. It will seek to further the work of the League of Nations.

Mr. COTNAM: I rise to a point of order, Mr. Speaker. I submit that the hon. gentleman is reading his speech. That point of order was raised when I was speaking a few evenings ago.

Mr. McINTOSH: The hon. gentleman read his speech for forty minutes the other day, and I think if he had spoken for forty hours he would have surely read on for forty hours.

Mr. SPEAKER: On the point of order, the hon. member for North Battleford (Mr. McIntosh) knows what the rule is, but I think he is just following his own notes.

Mr. McINTOSH: That is right. I was just saying what the policy of the Liberal party was on the questions of international peace and national retrenchment. The Liberal party stands for a policy that has been the policy of the Canadian people from decade to decade, for it seeks to effect a retrenchment in public expenditures and a reduction in the principal and interest on the national debt, and by selling goods cut down taxation and balance the budget. It has also been the party of reform throughout Canadian history.

In passing may I just say that I have a book here entitled Porritt's Evolution of the Dominion of Canada.

Some hon. MEMBERS: Oh, oh.

Mr. McINTOSH: Mr. Speaker, although the hon. gentlemen do not understand the contents of this book, that is no reason why they should not listen to what I say about it.

Mr. COTNAM: It would be all right to read it if you could read it well.

Mr. McINTOSH: I am not going to read from the book, Mr. Speaker, but may I point out that throughout Canadian history the Liberal party has been the party of reform. It is the party of reform to-day and will be the party of reform to-morrow. Some of the reforms which the Liberal party stood for in days gone by have been: the simplification of procedure before the courts of law, a very important reform; the repeal of all laws conferring special privileges upon the church, another reform that abolished all idea of having a state church in Canada; reform in the sale of crown lands. The Liberal party stood for the election of the governor; for the election of the legislative council by the people; for representation by population, and for the secret ballot. Later, it stood for the right to negotiate commercial treaties with other countries of the world, a right that we have to-day. The Liberal party has stood stoutly for these things year by year throughout Canadian history.

These are only a few of the reforms for which the Liberal party has stood. It has stood for the upbuilding of responsible government and for the control of revenue by parliament, and I submit that the history of the Liberal party has made this bill possible.

Let me discuss for a moment or two the industrial and international relations committee report presented to parliament on May 23, 1929. I wish to show the attitude of hon. gentlemen opposite on this question of unemployment insurance. In presenting the report on that date I tried to indicate, as chairman of the committee, that the committee had done its best to obey the mandate of parliament to investigate and report upon this very intricate and technical question. In analyzing the report I went on to show that its adoption was vital inasmuch as it was in the direction of industrial and universal peace, which is based on international justice. I emphasized the importance of the report both nationally and internationally. It was pointed out that the question could not be dodged, that the time had come for action, and the report embodied the endorsation and the affirmation of the principle of insurance against unemployment, sickness and invalidity. It also supported the principle of a contributory system involving the employer, the state and the employee, and it went on to discuss a comprehensive national health policy as well as the securing of further data after the taking of the census. It proposed a conference between the provinces and the dominion in order to bring about the necessary cooperation without which this important problem could not be approached effectively.

When the committee's report came before parliament an amendment was moved by the hon. member for North Winnipeg (Mr. Heaps) and an important debate ensued on the question. The hon. gentleman expressed the opinion that the report should be referred back to the committee for reconsideration and further report and that there should be something more tangible, more concrete. He held that the report was really a step backward. The question of jurisdiction

then came up in consequence of this amendment. The amendment itself was to the effect that the report should be sent back to the committee and that the provinces should be requested to pass the necessary legislation giving up their jurisdiction with a view to having the matter dealt with nationally. That gave rise to considerable debate in the house, and I think it is necessary to run through that debate in order to indicate the attitude of hon. gentlemen opposite on this very important problem.

At page 2776 of Hansard of May 23, 1929, I find the following statement by the present Secretary of State (Mr. Cahan) on this question. He quoted the amendment, which was:

That the said report of the select standing committee on industrial and international relations be not now concurred in but that it be referred back to the select standing committee on industrial and international relations with instructions that they have power to amend the same by adding thereto a clause recommending 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.

The hon. gentleman followed that up by saying:

Does the hon. gentleman suggest that, when specific jurisdiction is vested under the constitution in the provinces, the provinces by any conceivable legislation could revest that jurisdiction in the dominion parliament? It seems to me to be the most extraordinary suggestion I have heard for some time.

That was the point of view of the Secretary of State on that occasion. But the hon. gentleman also made this statement:

That being admitted, why should the parliament of Canada express a gratuitous opinion upon a public matter which is not within the legislative jurisdiction of parliament or the administrative jurisdiction of the government responsible to parliament? Why should we in this parliament, who have very extended duties and obligations to the public, set ourselves up as the judges of the duties and responsibilities of members of the several legislatures, and attempt, by adopting a report of a nature which I have read, to superimpose our gratuitous opinions upon the legislatures of the provinces and the governments which are responsible to those legislatures? Even if we adopt the report of the committee in its present form, we are going far outside of any jurisdiction committed to the parliament of Canada.

[Mr. McIntosh.]

There we see the hon. gentleman, who is a member of the present ministry, taking the stand that it was an insult to the provinces, an insult to any provincial government in Canada, that even an opinion should be expressed at that time in the House of Commons on this question. Well, as I have said, it is a long distance between an attitude of that kind and the attitude which we have demonstrated on the part of hon. gentlemen opposite on the present occasion. Then the hon. member for East Kootenay (Mr. Stevens), then representing Vancouver Centre, made the statement that the report was all eyewash; that was his attitude. And a little further on at page 2787 we have the point of view of the present Prime Minister (Mr. Bennett) on the amendment which was before the house. These are his words:

While Bourinot's opinion was as Your Honour has quoted, nevertheless it is pointed out in May, as in the rules of the house, that when the matter is clearly a subject that this house should not pronounce upon, it should not be asked to do so, because by so doing the house would be pronouncing on something over which it has no jurisdiction. The last part of the amendment asks that the legislative powers—the legislative powers, mark you—of the provinces, which are defined by section 92 of the British North America Act, shall be vested in the dominion government.

In other words, the right hon. gentleman was of the opinion that there should be no pronouncement whatsoever on the subject. His attitude was practically the same as the Secretary of State's, for that hon. gentleman said that no gratuitous opinion should be advanced on that report because it was purely a provincial problem.

On the other hand, we find that the attitude of the Liberal party on this question has been sound throughout; you will find it so in that very debate. The then Minister of Justice (Mr. Lapointe) took the view that the matter was entirely one for the provinces; it came within the ambit of provincial jurisdiction. He cited the danger of interfering in a matter of this kind; there was no doubt in the minds of the law officers of the crown, nor was there any doubt about the constitution in that regard. For instance, he quoted, as reported on page 2777 of Hansard of 1929:

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;

These two statements were taken from Lefroy's Canada's Federal System. That is the stand which hon. gentlemen opposite took with regard to that matter when it was before the house, and to-day we have them taking an absolutely different stand. For instance, I want just to touch upon an article that appeared in the Ottawa Journal on May 23, 1929. I take it that that article clearly represented the attitude at that time of the Conservative party. It was absolutely Conservative opposition opinion and I am reading it not because I always disagree with the Journal, because I read the Journal I think once a day and the Citizen also once a day; as far as these two newspapers are concerned they are among the brightest and best in Canada. But this is the point of view of the Ottawa Journal on that date on this very important question which was before this standing committee of the House of Commons. The editorial goes on to say that a small committee of the House of Commons "blithely shoulders the huge task of looking after industrial and international relations." Then it states that the committee has reported to parliament that it endorses the principle of state insurance against unemployment, sickness and invalidity and that it favours compulsory contributions by the state, employer and employee. Then the editorial adds:

It is, perhaps, fortunate for the country that neither the committee nor parliament possesses authority to give effect to the principle so "lightly endorsed."

That was Conservative opinion in 1929. Then when the report goes on to deal with the matters I have already mentioned, the Journal makes the statement that these provisions of the report would be enacted into law if something did not arise to block the committee's main purpose—the committee with the portentous name that is out to do something.

Further on the same editorial deals with the report and investigation at that time in this language:

It is absolute nonsense. The country has no more need of unemployment insurance than it has of polygamy.

Mr. MACKENZIE (Vancouver): Is that a Tory journal?

Mr. McINTOSH: Yes, it is. The editorial goes on to say:

In England there is something to be said for unemployment insurance because there the industrial and economic conditions are entirely different.

But it says that there is no reason for it in Canada because this country is sparsely settled, lacks population and is passing through an era of tremendous development. It continues:

The proposition, therefore, to ensure our people against unemployment is absurd. The natural result will be to add to cost of government, produce more bureaucrats and discourage thrift and industry that are the real safeguards against unemployment.

A little farther on it says, in regard to the national health recommendation:

Nor can we ever see anything sensible in this recommendation.

According to the Journal there is nothing sensible in it. It asks:

What is wrong with our health anyway?

The editorial goes on to say that there is nothing wrong with our national health and there should have been no provision in the report about a national health policy. Then it makes this further statement:

This work belongs to the provinces.

That is, the work of unemployment insurance or insurance against sickness and invalidity belongs absolutely to provincial jurisdiction and the Journal does not hesitate to say so. It continues:

The federal government is but duplicating provincial activity and adding to the cost—

—when it makes any movement in the matter whatever. It reiterates that the committee and Liberal government action in the matter means little more than to "pile up expenditure." Further on it says:

Even more fussy and futile is the suggestion that in the coming census provision be made for securing data on unemployment and sickness and have same compiled and published at the earliest possible date.

Yet that part of the report was carried out in 1931 and it constitutes part of the foundation upon which the present legislation has been founded. Further on the editorial says that there are two federal organizations getting this unemployment and health information and that it is not necessary because by the time the information would be needed, the situation might be entirely changed. Fancy!

Lastly, the editorial says that there was not the slightest danger of this report being adopted; that it was but an expensive frill, and that if it were done it would but prove that any organized minority in Canada that makes enough noise could get its point of

view accepted by parliament. It winds up by saying that there is "too much paternalism," and damns the report endorsed by parliament in the way the Journal can so forcibly do.

My contention is that that point of view by Tory journalism all over Canada built up a menacing volume of public opinion at that time detrimental to insurance against unemployment, sickness and invalidity. That opinion was emphasized in this house—as I have shown—excepting to the right of the Speaker, that is on the part of the government of the day. Such opinion had an adverse effect upon the provinces. There was a division of opinion on this important question all over Canada because of the attitude of the Journal, as shown by the attitude the provinces took in regard to it. At that time there was no volume of public opinion in favour of this question outside members of the Liberal party in the house and out of it. There is no doubt about that at all. The Conservative party was quite hostile to the question of social insurance in the house; they poured cold water on it every time they could; they never spoke a word in favour of it and they discounted it whenever the opportunity arose.

The report of the industrial and international relations committee was sent to the different provinces, and what do we find? We find that there was no cooperation shown by the provinces with regard to this report, consequently no action was possible in connection with the question of unemployment insurance in 1929. I have before me the report from Nova Scotia. At that time the present Minister of Finance (Mr. Rhodes) was Prime Minister of that province and to-day he is in the ministry and is, I am told, whole-heartedly for unemployment insurance. What was his attitude in 1929? Did he say that his province favoured it? Did he say that his province would support it? Did he give any aid to the then Liberal government to evolve a policy that would later meet unemployment all over Canada? He never said a word in favour of it. This is the letter dated August 3, 1928, from Halifax:

Dear Sir:
I have your letter of July 31.

This is in answer to Mr. Heenan, then Minister of Labour, who sent out this report to all the provinces.

The whole subject matter will have to be studied with great care by the government, and for that purpose we will await the printed report of the minutes of proceedings and evidence.

[Mr. McIntosh.]

Meantime I have to point out that while the government is sympathetic toward all modern measures of similar character which have for their object the betterment of living conditions, the limiting factor in the province of Nova Scotia is that of finance.

The very argument used by my right hon. leader when the matter was before the house a few days ago, that finance is an important limitation. Note the word "sympathetic." Then he goes on:

For practically fifteen years this province has not had a balanced budget, and before we can take up the subject matter of industrial and international relations we are immediately confronted with a very heavy obligation which would arise with the adoption of the old age pension system.

Yours very truly,
E. N. Rhodes,
Premier.

There is not a word in that statement by the present hon. Minister of Finance to the effect that this is a national matter. He accepts the report of the committee that it is entirely within the provincial jurisdiction. But to-day we have the Minister of Finance and the other ministers of the crown and those sitting back of them taking the stand that constitutionally this question belongs to the dominion, when the whole evidence before parliament is absolutely against that contention. As far as the Liberal party is concerned we are consistent in the matter; we are simply holding to the view we held before, which is also the view of the law officers of the crown and of the courts of justice.

We have also a statement from the former premier of the province of New Brunswick, another Conservative leader in eastern Canada. Writing to Hon. Peter Heenan, then Minister of Labour, on August 3, 1928, he said:

My Dear Minister:

Your letter 31st ult. received with reference to insurance against unemployment, sickness and invalidity.

Of course I recognize the desirability of some such provisions as these, but I think you will understand that, faced with the question of old age pensions and what I regret to say seems to be the probable withdrawal by your government of the assistance to technical education, it is utterly impossible for a province with such limited means as New Brunswick to consider, at all, the subject about which you write. These things are simply matters of financial ability to do things, and when we have not got the money we cannot, and should not, undertake the responsibility.

Yours sincerely,
John B. Baxter.

There is another statement by a provincial authority in New Brunswick that the money was not on hand, but there was no question at

all raised as to jurisdiction; it was accepted that the matter was one belonging to the provinces and had nothing whatever to do with the dominion.

I might go on to read statements from all the provinces and prove by them that in not one instance was the statement of the committee that the matter of unemployment insurance came under provincial jurisdiction challenged. It has remained for the dominion government to come forward six years subsequently, with an unemployment insurance measure entirely national in scope not based upon provincial cooperation, and, it would appear, not upon sound justice.

May I say that the Liberal party wants to see unemployment insurance put upon the statute books; but it wants something more than that: it wants this measure to become effective as soon as possible, and we are anxious to cooperate with the government in that regard, but—

Some hon. MEMBERS: But!

Mr. McINTOSH: —but if we are to have a measure that will never go beyond the statutes, which is not sound in jurisdiction, and which can never be effective industrially, then the time this house is spending on this bill is largely wasted. We hope there will be real advancement made with this legislation; that even yet the government will institute the closest scrutiny with regard to the legality of this measure, and see to it before it is too late that when the bill becomes law it will be constitutionally sound and that litigation will not render it void and useless.

In closing I should like to refer to the part of the present bill which deals with national health. To my mind if the term "eyewash" was ever applicable to any part of any bill introduced in this house it may well be applied to that part of Bill No. 8, because while we have national health talked about there is nothing effective in the bill in regard to a real national health policy, not a thing. There is not one word more in that bill with regard to a national health policy than was in the report of the industrial and international relations committee of 1929, which was endorsed by the house, and in which a comprehensive national health policy was advocated.

Mr. HUMPHREY MITCHELL (East Hamilton): I was amused at the observation of the hon. member for Moose Jaw (Mr. Beynon) that everyone was claiming the fatherhood of this child. What the working people are most concerned about is who is to be the mother; they are desirous that this legislation shall not be stillborn through the instrumentality of the constitution. We have here what might be called an inverted case of the Dionne quintuplets. In that case we had a marvel in medical science, a mother giving birth to five children. In this house we have—

Mr. COTNAM: A five year plan.

Mr. MITCHELL: —we have 245 members claiming responsiblity for one child. Now, it can't be done. Many men have been mentioned in this house who have used the constitution as a barrier to progress, and the thought crossed my mind that it is a good thing there is not a constitutional Guy Fawkes around.

I think it is fair to say that governmental institutions in their fundamental concept should deal with the major risks of life from the viewpoint of the great majority that make up the working force of this and every other country. I think those major risks can be boiled down to three. One is sickness and the obligations arising out of sickness; another is unemployment, the worry, the trials and the tribulations of men and women who are anxious to work and unable to get the opportunity to earn a livelihood and provide for themselves and their dependents; and a third is the problem of old age and the fear of destitution. These are three fundamental problems in the life of the nation, simply stated; and since the dawn of history mankind has been wrestling with them. I think also one may safely say that we have moved very slowly towards their solution. In the material sphere enormous progress has been made in the last century, progress of a kind and on a scale unexcelled in the history of the world. In fact we have almost invented ourselves out of a way to earn our livelihood. We have been so clever that we have forced millions of men and women on this continent to walk the streets owing to the introduction of the machine. I would like this to be considered by the government, that notwithstanding this legislation they are setting in motion, they should not lose sight of the great responsibility confronting them under present day conditions, concerning the problem that we almost forget about because of the depression, that of being too old at fifty-five to obtain gainful employment. That problem existed even in the most prosperous times. Then there is the problem of technological unemployment. The other day I

saw figures which have not been disputed, showing that even with the depression, if the productive forces of the United States were on the 1929 level, with the reduction of the working day to six hours they still would have an army of unemployed in that country numbering 6,000,000. You cannot wish yourself out of a jam like that. If private employers will not give leadership and adjust their business structures to meet the crying need for employment then in my judgment the duty lies with the government to provide that leadership. That is what I have always maintained. I think the test of any society, industrial or agricultural, is its ability to insure the membership of that society against the economic hazards of life, and I think that should be the pressing force behind the legislative functions of government. Security must be the cornerstone of any nation if progress is to be made. I think the test should and must be the degree of security given the individual in the form of productive employment and protection against such hazards as I have mentioned.

At the moment, Mr. Speaker, we are merely dealing with the principle of the bill; we are not dealing with the sections. I think the principles boil down to two questions, is the bill constitutional, and shall we have contributory or non-contributory unemployment insurance. In the few remarks I make I am going to discuss the bill from that standpoint. This afternoon I listened to the former Minister of Justice (Mr. Lapointe), who discussed the constitutional aspect of the measure. He pointed out very clearly the clauses of the treaty of Versailles affecting the working-people of the nations engaged in the war. He pointed out the solemn obligations under that treaty of peace that pledged the nations to move in a certain direction in order to meet pressing problems as they affected the daily lives of the people in the respective countries at the close of the war. I was in the war; I was in England at the conclusion of the war, and I have a very vivid recollection of the cry of Lloyd George, "Make this a country fit for heroes to live in," and so on. I believe the men came back from the war with faith—almost a divine faith, I might say—that the promises contained in the peace treaty would be implemented by both the victorious and the defeated nations, but in this dominion it has taken fourteen years for us to carry out the promises incorporated in the treaty of Versailles.

So we have the constitutional question brought up in connection with this matter. I know the opinion of the average workingman; I think I can reflect it as well as anyone in this House of Commons. I came from the workshop to this house, and when my constituents are through with me I will go back to—

Mr. HEAPS: The workhouse.

Mr. MITCHELL: My hon. friend from North Winnipeg (Mr. Heaps) says I will go back to the workhouse, and there may be more truth than fiction in that statement. The average workingmen are not greatly interested in the constitutional question. They want to get something done; they are asking, "When do we eat?" The average man in the street is saying, "For God's sake give us an opportunity for productive labour, so that we can meet our obligations and look after our families without need of charity." That is the cry of the man in the street to those having leadership in this dominion.

We are accustomed to this constitutional argument; it has been the barrier that has stood in the way of most social reform. I had a great deal to do with the propaganda carried on in this country for the establishment of an old age pension scheme in Canada. I remember the way that proposal was bandied from one government to another; eventually, of course, we did get a system of old age pensions. Then I have a vivid recollection of the opposition to these schemes that have been advocated by labour for many years. I would like to ask these provinces to come out in the open and say so if they do not want a system of unemployment insurance. Let them be frank about it if they do not want these very necessary reforms that must be carried out if the problems of mass production and modern industry are to be met. I have not heard them; I do not think any member of this house has heard them make that statement. Let us be frank about it; let us come out and say so if we are opposed to these things. I object very strenuously to any man in this country mixing up the rights of minorities with the obvious necessity of moving in the direction in which this legislaton goes. There is no man in this house or in this country who is more fixed in his opinions as to the rights of minorities than I am, but I do not believe that the rights of minorities should be used as a smoke screen to prevent the passage of legislation of this description and its practical application in this country. If the contention of the hon. member for Quebec East is sound, this bill is not worth the paper it is written on. Let us be frank about it; let us tell the people of

Canada that if the constitutional position taken by the hon. member is sound, this House of Commons is wasting its time.

I know the western provinces do not care much about the constitutional aspect of it. Last year in this house I quoted a statement by the then Premier of Alberta, Hon. J. E. Brownlee, which appeared in the Ottawa Journal of January 21, 1934. Mr. Brownlee said that all the western provinces had agreed to give up their constitutional rights in order to make such legislation possible, and he said the dominion government was working on a measure along that line. That was in answer to a question by the executive board of the Alberta federation of labour, asking the government of that province to lend its aid to the institution of an unemployment insurance measure in that province.

I also think we should be very frank with the working people of this dominion, and disabuse their minds of the belief that this legislation can meet the problem of unemployment. I know that in the propaganda stage that precedes the launching of any legislation of this kind statements are apt to be made by enthusiasts that would lead people to believe more than is actually the case. That is a fact that one encounters in connection with all legislation, whether it be social or otherwise. Extravagant statements are made as to what can be done by legislation similar to this. I think it should be made clear that the government must initiate policies to take care of the tremendous unemployment problem in this dominion, and no attempt should be made to lead the people to believe that this legislation can be a solution for that problem. It should be made clear also that this does not relieve this government or any government of its duty to supply food and shelter for those who at the moment are on relief. That is a problem that must be met until those unfortunate people are able again to take their part in the industrial or agricultural life of this dominion. Neither do I think it does us any good to say why someone else did not do this, what somebody said in 1896 or 1902, or whether somebody has changed his mind in the last two years. After all is said and done a man who cannot change his mind —well, he never had one. I am not interested only in a recital of the achievements of the group to which I belong, or to a discussion of the achievements of other political parties. I am most concerned about the passage of this legislation in the broadest possible form and in terms through which the greatest number will derive benefit or advantage. It is a great tragedy that suffering has always been the midwife of progress. I believe it is fair to say that ten years ago no government in Canada would have taken the chance of passing legislation of this kind. Notwithstanding the fact that a large body of public opinion pressed for such legislation I do not believe opinion was strong enough to command the notice of any government. We have to be fair about it, and that is why I make that observation.

It would be easy for me to say that I have advocated this legislation for a lifetime, and in that way get some kudos out of it. It would be easy to say that hon. members in this corner of the house did so and so, but I believe we have to be perfectly frank about it. I question very much whether the average man or woman of ten years ago had any interest in unemployment insurance. At least that was my experience, and I believe if there had been any interest in the matter we would have an entirely different situation to-day. There would have been a scheme in force, broad in its application, one which would have lightened the mental strain and burden suffered because of the great depression.

We now come to a discussion of contributory and non-contributory unemployment insurance. Frankly, I believe in the contributory system, the system advocated by the Trades and Labour Congress of Canada, and I make that choice without any equivocation. I hold the view that no nation which gives the people something for nothing can endure; we might as well be honest about it. Neither do I believe that the burden should fall too heavily upon the worker who comes under a scheme. It is my opinion that the present legislation goes too far in that direction, and that a greater burden should be placed on industry and on the government. We know that all social services, including even the salaries of hon. members in this chamber, are a charge on the living standards of the Canadian people, and any legislation involving an expenditure of money must in the final analysis have its effect on the productive forces and on the whole structure of the country. My greatest concern is that when the scheme is launched the workingman may have something to say about it. Unless a person helps to pay for a thing I question very much whether he has any right to say anything about its operation.

One feature of the bill which meets with my approval is that the responsibility for administration is placed squarely where it belongs, namely upon the workers and employers in industry. Undoubtedly the workingmen have some right to say how the payments shall be made, how the operations of the act may be broadened, and generally to watch over its development. There can be no doubt that the scheme will have to be hammered out in the laboratory of the industrial structure of our country. We shall have to do the same as other nations have done, the same as Great Britain did, namely, work the scheme out by the process of trial and error; and quite possibly that work will not have been completed in this generation.

I appreciate the fact that to advocate a non-contributory system of unemployment insurance would be the most popular stand. I have no quarrel with people who hold that view; the right to agree is the basis of human freedom. After giving the matter very careful thought, however, I have some to doubt very much whether we could have a system of non-contributory unemployment insurance without having a dictatorship. We could not have that form of protection unless the state could say to the worker, "This is the amount you will be paid; this is the kind of work you will do"—and have control of all the movements of the individual connected with the scheme. We must remember that this is to a great extent an agricultural country, and any scheme must meet the views or be capable of receiving the support of that great body of people.

Mr. LUCHKOVICH: What do they do in dictatorships?

Mr. MITCHELL: I shall tell you in a moment. That is why I believe a non-contributory scheme would be unsound. Someone has asked: What do they do in dictatorships? Well, my reply is that any man with a bayonet in his fist can be a dictator, so long as he does not stick it into himself. I believe that has been proved.

Frankly a non-contributory scheme would not, in my opinion, meet with the views of the average Canadian. The people in this country would rather help to administer and pay for their scheme. Believing that, undoubtedly I should take responsibility of saying so. In working out the scheme the government must take into consideration seasonal employment, and may I indicate in passing that the bill does not make provision for those who are working on a five day or even a four day week, a fault which can be remedied when the bill reaches the committee. Further, consideration must be given to the fact that many people engaged in industry are working on short time. Arrangements should be made whereby those people can meet the payments without any undue hardship on themselves, and the legislation must be elastic enough to permit the admission of such people. No man should be penalized or placed outside the scope of the legislation because of circumstances over which he has no control. Many men, particularly in the railroad industry, who would ordinarily be engaged in steady labour are working, due to the depression, only two weeks a month.

The measure contains the further constructive suggestion, namely that it will make use of the employment agencies, or as they are called in Great Britain, the labour exchanges. It will permit the mobilization and organization of labour on a much more satisfactory scale than has obtained before in Canada. To those who speak of provincial schemes I would point out the utter impracticability of a provincial scheme in legislation of this kind. A man might live in Ontario, for example, and the scheme might not be in existence in Quebec or Manitoba. That man would be frozen to working in Ontario in order to gain the benefits of the insurance scheme. Anyone who has made any study at all of labour matters knows that you should not deny the worker the right to go from one end of this dominion to the other, should the need arise, in search of employment. If you had a provincial scheme you can readily see how the worker would lose the benefits of it unless he went into the province in which the legislation was operating. We have seen that in practical application so far as the old age pension scheme is concerned. Notwithstanding the fact that that legislation has been in existence since 1927, there are still three or four provinces, Quebec for example, which have not brought that scheme into being. In connection with mothers' allowances we saw how a widow living outside the boundaries of a province where mothers' allowances were in effect would immediately move into Ontario, for instance, to qualify under the residence rule for the allowance under the act. So we have had practical experience of the unsoundness of attempting to deal with these great social problems on a purely provincial basis. I think that has been proven conclusively, and in my judgment we would be foolish—I do not say that in any critical sense—if we did not take cognizance of the very practical experience we have had in the application of measures of this kind.

When the bill gets into the committee stage I shall have a great deal to say in connection with incidentals surrounding the application of particular clauses of the bill itself. I have often said that men are the instruments of policy, and one of the most important factors in the successful application of legislation of this kind is that those in charge of its administration shall be sympathetic to the legislation. That is a very important feature that must be borne in mind by the government, that men in charge of applying this form of legislation should be sincere and sympathetic in the broadest sense, so that the law may have as wide an application as possible in the shortest possible time. So, Mr. Speaker, I trust that the government will use good judgment in selecting men who have had some practical experience in the problems of the labour men of this country, and that on the other hand they will select men who are imbued with the soundness of enactments of this character and have a vision of its possibilities for good in the lives of the working men and women of this dominion.

I believe, Mr. Speaker, that this is a forward step, and I would be insincere if I did not say so. There are many criticisms one could offer of the measure, but I am now endorsing the principle of the bill because it is a form of legislation that meets a crying need in any industrial country. It must be remembered that even in the midst of this depression there are tens of thousands of borderline cases who should be on relief and whom a measure of this kind will help tremendously. When the scheme gets into its stride, if we ever get out of this depression, I visualize a constructive approach to the problem of ironing out the inequalities of seasonal occupation in this country. There are also potentialities in the stabilization of working conditions and of maintaining the demand for consumption on the part of the Canadian people, the benefits of which will be reflected back to agriculture. That has been proven in other countries. In Great Britain at the moment one sees tremendous sums of money in circulation through schemes of this kind and which, under the conditions under which we are living at the moment, would otherwise be tied up in the banks and in strong boxes throughout the country.

For these reasons, Mr. Speaker, I am going to support the principle of the bill and ask for its widest application for the benefit of the working people of this dominion.

Hon. J. L. RALSTON (Shelburne-Yarmouth): Mr. Speaker, before the vote is taken I think perhaps a word or two should be said with regard to some phases of the matter which have been covered to some extent but which might deserve a little more amplification.

In the first place let me say to my hon. friend who has just taken his seat (Mr. Mitchell) that I rise to support and we on this side of the house will support in principle the idea of unemployment insurance. It is not any new feature as far as those on this side of the house are concerned. It is a matter which has engaged the attention of members of this side of the house for a number of years, as has been indicated by the record which has been placed on Hansard by my right hon. leader (Mr. Mackenzie King) and by the hon. member for Quebec East (Mr. Lapointe); and regardless of the fact that my hon. friend is not interested in the history of the activities of the other parties in connection with this measure, it seems to me that it is a matter of some interest to the country generally to know whether or not this measure is being brought forward at the present time by those who have consistently in season and out of season supported the principle, or whether it is being brought forward, just on the eve of an election, in the form of a so-called reform program in entire contradiction of the position which has been taken by the right hon. leader of the government and his colleagues almost right up to the time he gave his radio broadcasts.

I want to say to my hon. friend who has just sat down, and to you, Mr. Speaker, that the record of the Liberal party has been a steady effort towards putting on the statute books a comprehensive, workable and valid unemployment insurance measure. That record is indicated by the fact that it was the Liberal party which in 1926, and again in 1927, advanced the principle of old age pensions, and after their old age pension measure was defeated by the Conservative majority in another place succeeded in putting it upon the statute books where to-day its benefits are being enjoyed by the old people of this country almost from one end to the other. This it seems to me is a matter which the people of this country will take into consideration when they are considering the sincerity of those who are supporting the bill at the present time.

May I say further that my right hon. leader made a declaration in this house, not on the eve of an election, but over two years ago, indicating that the Liberal party had as a plank in their platform a national unemployment insurance measure, and the steps which had

been taken and were being taken to carry that out are well known to members of this house and this country.

When I mention my leader I want to say this, that the members of this party take some satisfaction in the fact that the leader of the Liberal party has in season and out of season during his whole life been interested in social legislation—not at the last minute, just on the eve of an election in 1935, but year after year his whole training, his experience and his activities have been in the direction of social reform. I say to you, Mr. Speaker, that I think we can say with considerable pride that the record of the leader of the Liberal party is not excelled at least by any statesman living or dead in Canada for his attention to and interest in matters that pertain to the social welfare of the people of this country. The other night there was put on Hansard the record of the Liberal party in connection with social legislation. It went back to the days of the establishment of the Department of Labour, which was followed by the passing of the conciliation act; with the passing of the railways dispute act; the passing of fair wages provisions, whereby employees of the dominion government received the benefit of the fair wages statute and of the eight hour day; the passing of the Combines Investigation Act; the passing of the Technical Education Act of 1919, which was the outcome of a commission that had been appointed by the leader of the opposition when he was in power; and with the passing of the Old Age Pensions Act. That is a record in which the Liberal party takes some pride, and therefore it comes as a natural step that the members of the Liberal party should support an unemployment insurance measure. But the members of that party take as much pride in the fact that its leader has not only worked through practical legislation but has devoted his life to the education of the people of this dominion and the spreading of information among them in connection with measures along this line; and I am not at all sure that the foundations of the legislation which we are dealing with to-night and of previous legislation of this kind cannot be found in the fact that the people of Canada have been informed and have had their minds concentrated upon such measures through the efforts of the present leader of the opposition and former Prime Minister of Canada.

Let me emphasize what I said a minute ago, that the peculiar satisfaction which we have on this side of the house is that the views which the leader of the opposition represents here as leader of the Liberal party are convictions which are inherent in every fibre of his being and which he has practised from the time he entered public life, and are not the result of an overnight change of coat such as took place early this year when the Prime Minister felt the dread of the wintry blasts of the condemnation of the people at the polls. My right hon. friend is able to change legal opinions as he is able to change other views in connection with his public life. It is typical of him. My hon. friend who has just spoken says that it is no discredit to a man to change his mind. That may be so, but at the same time we should expect some constancy in public men.

Some hon. MEMBERS: Oh, oh.

Mr. RALSTON: I know that my hon. friends have been taught not to expect that on their side of the house. The Prime Minister is the gentleman who not long ago in this house was talking about sound money and deprecating the idea of turning on the printing press, and yet he is the very gentleman who suddenly was found, only a short time afterwards, doing a sleight of hand inflation trick—I use that term in no invidious sense—by means first of becoming a borrower from the banks, issuing treasury notes, and the next moment becoming a lender to the banks, printing about $35,000,000 of paper currency to loan against the treasury notes he had just issued. That is the gentleman who had talked about sound money. We have had in the last six months the same gentleman who talked about sound money issuing currency to the extent of between $30,000,000 and $40,000,000, carrying it to the banks and issuing cheques, notwithstanding the fact that the gold reserve has not increased; and yet he was extremely wrathy, particularly at those in one corner of the house, who talked about the possibilities of turning on the printing press. The same gentleman, two or three years ago, when the matter of a central bank came up, stood in his place and intimated that there was no need whatever of a central bank, that the Finance Act contained all the provisions necessary for the financial operations of the country; and though he did not use the word "ridiculous" he intimated that it was ridiculous to talk of a central bank in this country. And yet we find that on January 2 or 3, I forget which broadcast it was, he was boasting of the fact that his reform program had commenced and that he had inaugurated a central bank, the very thing he had opposed

so strenuously. He had he said inaugurated the central bank as one of the first steps in his reform program.

Mr. BENNETT: It is not correct to say he opposed a central bank.

Mr. RALSTON: I have stated exactly what he did. On the motion of an hon. member on this side of the house he intimated that the Finance Act would probably do this country, I think he said, for a period of fifty years, so far as he knew. But the central bank was suddenly grasped as one of the measures of reform; and as a matter of fact he did not know it was a reform when he put it on the statute books, but only realized it on the first of January this year.

And then we find him dealing with social reforms. He is not one who has extreme familiarity with matters of social legislation. Only a year ago he was speaking in Toronto and he had not very much idea of these social reform measures, these social reform activities and this social reform program. He said:

I would like to promise you a spectacular move that would make you hip, hip, hurrah; but, gentlemen, you did too much of that a few years ago, forgetting that some day the bills would have to be paid. We cannot offer you anything spectacular—nothing but thrift and hard work.

That was only February 2, 1934. He did not intimate that any reform program was necessary, but a little later in the year he said:

I believe we have passed and left behind us the great depression we encountered in 1929 and 1930. We are standing on the threshhold of a greater progress and greater prosperity than we have ever known.

That was June 8, 1934, and on August 27 he spoke at Quebec of the depression "of late lamented memory." Then on the first of October in London he spoke of "the steady progress which Canada has made in the last eighteen months." And on the very day that the newspapers published the report of his radio speech there appeared an advertisement issued by his government through the Department of Trade and Commerce:

As the year 1934 passes into history, Canada can look back on a period of unimpaired progress so definitely sustained that it has brought us to the pathway that leads to sound, sensible and stable prosperity.

That was on January 1, and yet on January 2 my right hon. friend said over the radio:

The world is in tragic circumstances. The signs of recovery are few and doubtful; the signs of trouble are many and they do not lessen. The world is searching pathetically for safety and prosperity. It will find them only when each nation, resolute to effect its own regeneration, will come to a meeting place with all the others in the spirit which declares that even the most powerful among them has no real economic independence of the rest. That time has not yet come. Meanwhile dangers abound.

And a few lines further down he said:

But the facts, grave as they are, do not cast me down nor will they you. I am deeply anxious, but I can never doubt this country's coming triumph if you will range yourselves on the side of progress and reform. For then we will fight on, you and I, and we will win.

Then, although Canada was according to the Minister of Trade and Commerce on the way to sound and sensible prosperity, on the next page there appeared this:

Reform or no reform! I raise that issue squarely. I nail the flag of progress to the masthead. I summon the power of the state to its support.

That was stated by the gentleman who a year before had said, "We have nothing spectacular to offer, nothing but thrift and hard work." Now my right hon. friend has indicated to us what the trouble really was. He said in that same broadcast speech—and I am paraphrasing him now—"I had people coming to me asking me to put reform measures upon the statute books." Then he goes on:

I can assure you that it was not easy to say no. I had to harden my heart. I did so, but with more sorrow and sadness than I have ever known in my life before. I can assure you with equal truth that, had we said yes to those sometimes frantic pleas, Canada would not have been where it is to-day. We had to defer reform until the time for reform had come.

The time for reform came just on January 2 in the year of the election when the last session of parliament was about to be convened. What a thrill this has given our hon. friends! Some of them have said: He has turned socialist. Others said that he had turned radical. People said that he had turned reformer. I think the country knew what had happened—nothing more than that he had electionitis. We know, as we have reason to know, remembering the campaign of 1930, that when he is suffering from that fever he is liable to say almost anything. After all, in the bill that we have before us to-night, is it really a policy of reform which my right hon. friend is bringing before the country or is it a policy of "recant"? I presume my right hon. friend, if I am to

judge from the citations which have been read by the hon. member for Quebec East and quoted by my right hon. leader, has decided to swallow himself in this program of reform and to repudiate, if necessary, not only principles but also some solemn assurances and admissions which he made to the provinces in September last when he admitted, in a letter which he sent out to them, that they had "exclusive jurisdiction" with regard to this question, that is all forgotten now. He did not refer to it.

Mr. BENNETT: He did.

Mr. RALSTON: In his address the other day in introducing the resolution he referred to the jurisdiction, but nothing whatever was said about the fact that he himself, eminent lawyer as he is, had no longer ago than September last indicated to the provinces that, at least in his opinion and speaking as Prime Minister of Canada, they had exclusive jurisdiction. Already, if we are to judge by the bill which is before us, the exaggerations of the reform program are plainly evident. Unemployment insurance was one of the high lights of that program, and what have we before us? We have a bill which purports to provide for unemployment insurance. The Prime Minister has quite frankly and sincerely said that it is not a recovery measure. It is not an emergency measure; it is not a relief measure; it is something which will not take effect for some time. My hon. friend who spoke last said: When will it take effect? We know a man has to contribute for at least forty weeks before he gets any benefit at all, so it means that for at least a year nobody in this country will receive any benefits from this legislation.

But leaving out the question of delay, what else have we? We have a bill which omits to make any provision whatever for those engaged in three out of the four primary industries in this dominion, although they are to be taxed to pay for the others. That is the first thing with regard to the bill. The second is that it is a bill which, as I said a moment ago, admittedly does nothing whatever to deal with the present situation. Third —and I wish I could put this in as graphic language as the hon. member for Comox-Alberni (Mr. Neill) did the other night—one of the features of the bill which I think the government will surely see ought to be changed is that which appears to emphasize and glorify the bureaucratic type of government which is exemplified in other countries by the exhaustion of the alphabet in connection with the different boards, committees and commissions they have there. This bill piles commissions on committees and boards on commission in addition to referees and umpires. It adds to the burdens of the taxpayers and to the irritation of those who come under the provisions of the measure. It seems to me a pretty definite attempt by the government to honeycomb our national life with a group of, so far as parliament is concerned, irresponsible and detached bodies who function independently of any departmental responsibility and who go to make officialdom the master rather than the servant of the people of this country. Fourthly, this bill which was one of the high lights of the Prime Minister's reform program, relies for its very foundation upon the shifting sands of questionable legal validity. As I go on, I want to call to witness the Prime Minister himself, his Minister of Justice (Mr. Guthrie) and his Secretary of State (Mr. Cahan) in support of that statement.

The radio speech is now under the microscope. Let us compare this bill with that radio speech. The flag of progress has not been nailed very high on the mast so far as this bill is concerned.

Mr. DUFF: Halfmast.

Mr. RALSTON: Seventeen other countries have unemployment insurance. This matter is nothing new, nothing novel. My right hon. friend has not apparently gone very far along the line of reform in this the first bill which he has brought down to implement his reform program. But I am going to leave aside the matter of the scope of the measure and the question of the machinery provided in it and to deal for just a moment or two with what it seems to me is the first essential of any bill and what will be an important consideration for anybody who has to do with this measure and who expects to get any benefit from it, namely, the question of its validity. The bill will not be of very much good if, as my hon. friend who spoke before me said, it is unenforceable. As he said, in that case it is just a piece of waste paper and we are wasting our time. Under this legislation certain rights to benefits are conferred, and that is the important matter so far as the working people of this country are concerned. In addition to that and supporting it is the obligation of the employer to pay. That is imposed by the bill. In addition to that there is the obligation of the employee to pay. That is imposed by the bill. In addition to that there is a provision which gives the employer

authority to collect from the employee the assessment as set forth in the bill. These are matters regarded as property and civil rights and within the jurisdiction of the provinces. If the contributions cannot be enforced or if a contribution by the central body to the beneficiary cannot be enforced, the legislation is an empty shell and a mockery.

I am not going to deal with the legal point, that is to discuss the radio case, the aeronautics case, the Snider case and others referred to by the Prime Minister at some length. I want to say just this: There has been prior to the time he introduced this bill a universal admission that such a measure was not within the legislative competence of this parliament. Until my right hon. friend spoke the other day when he introduced the resolution, neither he nor any of his ministers ever expressed any opinion other than that which was expressed by him in September last when he wrote to the provinces. Under these circumstances the situation is rather grave. My right hon. friend ought to give a fuller explanation than he has done with regard to what he considers to be the fundamentals upon which the validity of this bill can be supported. He is not an inexperienced counsel; he is a most experienced one; he has had experience in the privy council in constitutional cases; and when a man of his standing at the bar, a former president of the Canadian Bar Association, expresses an opinion on a legal matter, it is to be taken with a good deal of weight; and he has expressed this opinion in the house more than once on previous occasions. But we are left in the dark—except as far as my right hon. friend mentions treaty provisions—we are left in the dark as to the reason for the fundamental change that has taken place in his opinion and in the opinion of the Minister of Justice (Mr. Guthrie)—who by the way has not favoured us with any address at all or any explanation on this rather important point as to the validity of the bill. Well, we have the preamble, and as was referred to by my friend the hon. member for Quebec East (Mr. Lapointe) the preamble purports to support this legislation on the ground that it falls within article 23 and article 427 of the treaty of Versailles. The hon. member for Quebec East mentioned article 23 this afternoon and put part of it on record. The first part of article 23 indicates in the clearest terms that the whole undertaking, whatever the undertaking may be in that article, is:

Subject to and in accordance with the provisions of international conventions existing or hereafter to be agreed upon. . . .

Where is the international convention in connection with this subject? Has it been agreed upon by this parliament? It has not. It has not even been brought down. Yet article 23 is being relied on by the Prime Minister as having created an obligation whereby section 132 of the British North America Act comes into play and whereby this parliament is given jurisdiction to enact legislation to carry out that obligation. But we must first have the obligation, and quite apart from the rather important introductory words I have quoted is there any definite obligation regarding unemployment insurance in the body of the article? As my hon. friend from Quebec East pointed out, I should think the only possible clause which might include unemployment insurance is to be found, if found at all, in the general words of subsection (a):

(a) will endeavour to secure and maintain fair and humane conditions of labour for men, women, and children, both in their own countries and in all countries to which their commercial and industrial relations extend, and for that purpose will establish and maintain the necessary international organizations.

Those are pretty general terms. To found jurisdiction in a field which is as competitive as that of provincial and dominion legislation it would seem to me that we ought to have more specific words than are there in order to establish that an unemployment insurance act is intra vires of this parliament. That is quite outside the first point I make, which is that whatever undertaking there is must be subject to and in accordance with—note those words particularly—an international convention, and such international convention has never been approved by this house or agreed to by Canada.

Then the other article invoked is 427. Well, that is even more nebulous. With all respect to those who drafted the treaty and to those who signed it, that article merely expresses a pious hope.

The high contracting parties, recognizing that the well being, physical, moral and intellectual, of industrial wage-earners is of supreme international importance, have framed, in order to further this great end, the permanent machinery provided for in section I and associated with that of the League of Nations.

They recognize—

No obligation yet.

—that differences of climate, habits and customs, of economic opportunity and industrial tradition, make strict uniformity in the conditions of labour difficult of immediate attainment. But, holding as they do, that labour should not be regarded merely as an article of commerce, they think that there are methods and principles for regulating labour

conditions which all industrial communities should endeavour to apply, so far as their special circumstances will permit.

Among these methods and principles, the following seem to the high contracting parties to be of special and urgent importance:

And then they go on to enumerate a number of principles not one of which would seem to touch unemployment insurance. Now it does not require a lawyer to appreciate—the veriest layman can realize it, reading that—that there is no obligation contained in article 427. Yet we have gone to the trouble of reciting that as containing an obligation which entitles us to invoke section 132 of the British North America Act and gives us jurisdiction to enact this legislation.

The other provision referred to is the peace, order and good government provision of section 91, which was dealt with in the Snider case to which my right hon. friend referred, in which it was laid down that you could not invoke the general residuary powers contained in the words "peace, order and good government" in connection with any matter that fell strictly within the express subjects referred to in section 92. Property and civil rights are contained in section 92, therefore it would seem as if peace, order and good government would not be sufficient ground on which to base the validity of this legislation.

My right hon. friend has invoked an entirely new principle. I suppose he says he has the authority of the judicial committee of the privy council for it. The judicial committee did, as my hon. friend from Quebec East said, in the aeronautics case and again in the radio case intimate that there was jurisdiction to carry out a treaty. But in those cases there was a treaty, as my hon. friend from Quebec East said—a binding treaty in each case. Here there is no treaty, not even a committal. Assuming there were some kind of a treaty, I am not sure that my right hon. friend is quite justified in going the length of assuming that Canada can enter into any treaty obligation at all, no matter how far it invades provincial jurisdiction, and still legislate to carry out that treaty under section 132. Let me give an instance. It will be said that it is far-fetched, but my right hon. friend's reasoning has to carry him that far. I have said that property and civil rights are within the legislative jurisdiction of the provinces. Public lands are within the jurisdiction of the provinces, and employment of labour is within the jurisdiction of the provinces. Let us assume that the Dominion of Canada saw fit to make a treaty with Siam, under which Siam would agree to admit our fish free of duty—I am sure the hon. member for Antigonish-Guysborough (Mr. Duff) will agree that that is highly desirable.

Mr. DUFF: Hear, hear.

Mr. RALSTON: In return for what? The Dominion of Canada says, We will do two things; we will give Siamese residents in Canada a preference in the labour market—that is rather shocking, but suppose the dominion says it will do that. Or it says: We will give Siam certain crown lands in the province of Quebec. Now there is the treaty. Is there any limitation? Does my right hon. friend think the dominion has the power to compel employers in the various provinces to give Siamese labourers that preference or the power to hand over to Siam provincial crown lands without the consent of the province concerned? Is that what section 132 means? Yet my right hon. friend's reasoning must carry him that far, if he is simply going to invade provincial jurisdiction and say that any treaty the dominion sees fit to enter into can be implemented, no matter if it takes provincial lands or invades the realm of provincial jurisdiction. My right hon. friend in his statement the other day intimated that he thought it went that far. He said, as reported at page 643 of Hansard:

The ratio decidendi of the case is that section 132 confers on this parliament the power to discharge every obligation under a treaty, whether it affects the dominion or a province, which we enter into as part of the British empire. It may therefore be taken that wherever, as a part of the empire, a treaty is made by the parliament of Canada, this parliament has complete jurisdiction to deal with every phase of the subject matter of the treaty to the exclusion of the jurisdiction of the provinces of confederation.

Mr. BENNETT: That is what the privy council said.

Mr. RALSTON: The privy council did not say that.

Mr. BENNETT: Exactly, just those words.

Mr. RALSTON: I am saying those are not the words of the privy council.

Mr. BENNETT: I am saying they are.

Mr. RALSTON: I am saying that is the extreme position to which my right hon. friend is carried. But there is no convention at all. The Minister of Justice, in getting out of rather a bad hole in which he found himself in regard to having expressed an opinion on the invalidity of the eight hour day convention, indicated that he had expressed that opinion before there was any convention; but now, said he, there is a convention and of course I change my opinion.

I point out that in this case of unemployment insurance there is no convention; what is his opinion therefore in this case? The Prime Minister says that the minister believes that in this case, notwithstanding that there is no convention, there is a binding obligation on the Dominion of Canada. I leave my hon. friend the Minister of Justice to deal with that himself if he cares to. I submit that there is no obligation under article 427 and no obligation under article 23, and there is no convention. I submit to my right hon. friend that there is the most serious doubt as to the jurisdiction of this parliament to pass this bill.

Then I go one step further. Leaving all these legal considerations aside we have the declaration of the Minister of Justice who is the attorney general of the dominion, in 1933, which was put on record this afternoon by my hon. friend from Quebec East. That was after the radio and aeronautics cases had been decided, and yet my hon. friend was still asserting that it was the provinces which had jurisdiction over unemployment insurance. In 1932, again after the radio and aeronautics cases had been decided, my right hon. friend said this was within the jurisdiction of the provinces. That citation was put on record, from Hansard 1932-33, page 1452, the other night by my right hon. leader. Then we have the words uttered in 1929 by the Secretary of State, to be found in Hansard for that year at page 2776, which were put on record by the hon. member for North Battleford (Mr. McIntosh), indicating the same view. When we have that situation do not my hon. friends, and particularly those interested in labour, think the proper thing to do in the first place would be to bring down the opinions of the law officers of the crown, in order to let this parliament see whether there is a possibility of this legislation really being good? Then do they not think, in the second place, that this matter should be submitted immediately to the Supreme Court of Canada in order that we may know whether we are going to enact legislation which, to use the expression of my hon. friend from East Hamilton (Mr. Mitchell), will be worth anything at all? In that connection I should like to cite what the Prime Minister said in connection with old age pensions. I quote from Hansard for 1926, at page 1970.

> Faulty legislation placed upon the statute books the effect of which is to bring about chaos is very much to be deprecated. Anyone who has followed the course of legislation in any country, especially legislation of this character, will realize that where you rely solely and entirely upon experiments you have nothing but political action following political action and what was intended to be a great benefit has in many instances been a positive disadvantage to the very class it was intended to benefit.

Let me also remind my right hon. friend of what he said in a letter written to his former colleague, the former Minister of Trade and Commerce (Mr. Stevens), as contained in sessional paper No. 99:

> In due course a committee of eleven was appointed and you were elected chairman. From that time the committee had an absolutely free hand and no effort of any kind, shape or form was made to in any way limit or restrict its activities except that on more than one occasion we pointed out to you the danger of creating in the minds of those interested, especially in the retail business, the impression that parliament could provide a remedy for the conditions of which they complained in view of the decisions of the courts as to the jurisdiction of provincial legislatures over contracts and price fixing.

I am pointing out the danger of creating in the minds of the people of the Dominion of Canada the impression that this parliament has the undoubted right to legislate in connection with the matter of unemployment insurance, in view of the legal position, and in view of the statements of the Prime Minister, the Minister of Justice and the Secretary of State. I say that even if this measure is only for the future; even though it will not take effect until next year, so far as practical benefits are concerned, we ought to set ourselves to do a workmanlike job in connection with it. If the Prime Minister fails to do that I submit that it will corroborate and seal the conviction in the public mind that this legislation will prove to be not a benefit but rather a gold brick and a sham, as being inadequate in its provision in that, as I said a moment ago, it omits three of the primary industries entirely and secondly in that it establishes a bureaucracy. Thirdly, and worst of all, it is a measure born not of lifelong convictions and practical activities in connection with social legislation but born of a feeling of desperation, and a knowledge on the part of the Prime Minister that he is about to face the electors of the dominion, and that he must look for something with which to obscure the promises he made in 1930.

I say to the right hon. gentleman that we will do all we can to assist in making this legislation, the sincerity of which we are bound to doubt, just as workable as possible, but at the same time we warn the people of Canada, just as he warned his Minister of Trade and Commerce, that we see the danger of a false impression being created in the minds of the

working people of this country with regard to the benefits which may be received from this legislation, in view of the very doubtful validity of the measure, which doubt is supported by the right hon. Prime Minister, the Minister of Justice and the Secretary of State.

Mr. HENRI BOURASSA (Labelle): Mr. Speaker, before the debate closes I feel bound to express my disagreement with practically the whole house in regard to this measure. I am brought to my feet by reason of an observation made by my good friend from East Hamilton (Mr. Mitchell) when he stated, somewhat mistakenly, that there were 245 fathers to this bill. I disclaim all paternity.

I am not going to develop my reasons for that statement, because it would be unfair to the house and to the Prime Minister (Mr. Bennett) to prolong the debate unduly. I am opposed to this measure for many reasons. First, I am opposed to it because of the constitutional aspect which has been so ably presented by the leader of the opposition (Mr. Mackenzie King), the hon. member for Quebec East (Mr. Lapointe) and just now by the hon member for Shelburne-Yarmouth (Mr. Ralston). For the life of me, I cannot understand how a single Liberal can vote for this measure after those three speeches. Second, I am opposed to it because it offers no cure whatever for the present unemployment situation, and this was handsomely admitted by the Prime Minister in introducing this measure. Third, I am opposed to it because it offers no relief in the future for a very large class of workers in some of the most important and permanent industries of the country, as was well pointed out by the hon. member for Shelburne-Yarmouth this evening. Fourth, because of conditions peculiar to this country such as the climate, the variety of occupations and the seasonal work, it is no remedy to copy a measure suitable to a country like Great Britain in order to cure an evil which with us is different and always will be different. I see in that another form of that old colonial spirit which thought that by copying anything on the statute books of England we were answering the needs of the people of Canada.

My fifth reason for opposing the measure is that it adds again to the load which is already weighing so heavily upon the shoulders of the ratepayers of this country; and when I speak of ratepayers I do not mean the wealthy ratepayers; I am speaking of that undefined class of small proprietors in the large centres, in the towns, in the villages, and a very large number of farmers, who are already overloaded with taxes for schools and for the support of municipalities, provinces and the dominion, and who cannot bear any more taxation.

My sixth reason for being opposed to this legislation is that I find in it what I have seen growing in the last four or five years, and what evidently is going to continue to grow, whether the present government remains in power or whether my good friends here, the Liberals, come back to power. I refer to the tendency to purchase the good will of the various classes of the community by pouring public money into their pockets, favouring one class at the expense of a second, and a third class at the expense of a fourth. I have denounced it when it was a policy of high protection for industry; I denounce it now, because the effect of our whole so called social legislation is to debase the social spirit of our people, to create a fast growing class of beggars, loafers and crooked men, who expect the state to give them a living and who are endeavouring to avoid any individual or corporate effort to help save their own situation.

I am not going to deal at length with this or any other aspect of the problem. May I say that I have liberated my mind on this occasion and I may have further occasion to do it on other measures which will be presented to us. As a Canadian and as a friend of all classes in Canada, I believe we are on the wrong track towards remedying the evils that are upon us. No legislation, and especially no amount of money, will accomplish any good until we have created in the minds and hearts of all classes of Canadians a true social spirit. My good friend from East Hamilton knows about the experience in England in connection with this or similar legislation. Let me quote to him the opinion of a man who has given all his life to the welfare of the labouring class in England, a man whom I had the pleasure of knowing a good many years ago, a man who was then at the height of his popularity; I refer to John Burns. In the month of June, 1901, I met him in the city of London, after he had returned from a trip through Canada and the United States. I asked him to give me in a nutshell his impression of the labouring class in America as compared with the labourers of England. He said, in substance: "I will tell you frankly that the main difference I have found was this: The average American thinks of himself first and of his class after. We have been able to create a social spirit and bring about social legislation in England because

we have educated the English working man to think of his class first and himself afterwards." When he spoke of the average American he was including the Canadian along with the workingman of the United States. He said that of course he knew if the conditions of his class were improved he and his family would receive the benefits.

After forty years of experience in public life, having acquired knowledge of what is going on in different countries, I state quite frankly that the chief characteristic of our so-called American civilization, of our so-called high standard of life, is selfishness, individual selfishness, class selfishness. Almost every farmer thinks first of himself and then of the other farmers. Almost every workingman thinks first of himself and afterwards about his fellow workers. Every class of workmen think first of themselves and of their special trade; they do not care what will become of the workers in other unions or in other trades—and likewise with the industrialists and the professional men. Of course, that is an evil common to all new countries, the individuals of which migrated from various other countries. They come to the new country for the purpose of improving their individual conditions. Their main concern was and is the acquisition of individual wealth. Then came the days of corporations which each individual joins to get as much as he can from or through that corporation, as much as he can from the public treasury and from the consumers in the country. That is the social spirit we have. If we wish to have social legislation which will accomplish good, we must first work out and make firm the social spirit of the nation. We must imbue the labourer, the farmer, the business man and the professional man with the idea that if he wants to get something from the state and something from his fellow citizens, he must be prepared to give himself, his family and his country the full benefit of his effort to ameliorate his own condition and the condition of his class, and to help remedy the conditions of his country.

The policy of spoon feeding which has developed since the war is to my mind an instrument of debasement of public virility and social spirit. Our farmers to-day in the old province of Quebec are fast losing their sense of honour and their sense of duty. Many farmers to-day are thinking of going into bankruptcy and following the example which has been set by so many industrialists and merchants, namely that of cheating their creditors as much as they can, and then getting money from the state to make good. What will they reap from going into fraudulent bankruptcy? That is the object many farmers have to-day. I have had experience with labour unions, and I have seldom found a true apostle of the proper social spirit among the labourers. At times, in the city of Montreal, I have been called upon to act as a friendly arbiter between groups of labourers and their employers. What did I find? On the one hand I found the employer thinking only of one thing, namely imposing the hardest conditions he could on his men, and on the other hand I found the men thinking of only one thing, namely, wresting from the company all they could, with entire disregard for the good of the community.

I have spoken at greater length than I had intended, but so far as I am concerned, if this goes to a vote, I shall record my vote against the second reading of the bill.

Hon. R. J. MANION (Minister of Railways and Canals): Mr. Speaker, I shall have to follow the practice which is so popular at the beginning of remarks, namely to say that I had no intention of taking part in this debate. At the same time, however, since the introduction of the bill I have listened to the speeches of hon. members opposite and from time to time I have jotted down on a sheet of paper some of the illogical arguments they have used.

Particularly was I struck when to-night the hon. member for Shelburne-Yarmouth (Mr. Ralston), with his ability as a master of jibes and sneers, attacked the Prime Minister (Mr. Bennett) because that right hon. gentleman, forsooth, had had the courage to say necessity demanded that some of the errors of the economic system of to-day must be corrected. According to the hon. member for Shelburne-Yarmouth, apparently it is a greater crime to say that errors need correction and to have the vision and the courage to correct them than it is to be absolutely strict, as his leader has been, in putting into books, putting into speeches, putting into charts, putting into platforms and putting into the mouths of committees principles up to which he never lives.

The hon. member for Labelle (Mr. Bourassa) who has just taken his seat, put his finger upon the truth when he said—I may not be using his exact words, but I believe I express his view—that if hon. gentlemen opposite who have spoken had any honesty in them they could not possibly support a measure which they have opposed ever since it was introduced. The hon. member for Labelle has been honest enough to say that he is going to oppose the measure; only a few moments ago he made that statement quite

frankly. He says he will not vote for the measure because he does not believe in it, as is obvious from his observations. Hon. members opposite do not believe in it. But, not believing, not one is going to be honest enough to vote against it. They are claiming that it is unconstitutional, claiming that it is inconsistent, claiming that the right hon. leader of the government is no fit leader for this country because he has changed his mind in one or two matters. Yet, claiming all that, they will vote for the measure. When we come to a vote on the second reading or third reading not one man of the whole group on the other side of the house, with the exception of the hon. member for Labelle, will have the courage to stand up and vote against it.

The hon. member for Shelburne-Yarmouth stated a few moments ago that the trouble with the Prime Minister was that he had electionitis, simply because he saw the need for reform. May I ask the hon. member for Shelburne-Yarmouth if his right hon. leader had electionitis when in the last session of parliament—in fact I believe it was after the last session of parliament and before the last election—he was responsible for passing orders in council making legal the eight hour day, and only the eight hour day, on public works in Canada, and yet did not put it into effect? Did his leader have electionitis, when just before the last election he took out of the treasury of the country tens of thousands of dollars—I do not remember the exact amount—and handed it in extra payment to the charwomen, forsooth, of the city of Ottawa, just before the election, in order to make sure of their votes? There is no doubt about the purpose of that move.

Was his leader suffering from electionitis when he travelled from the Atlantic to the Pacific and talked of Senate reform, and then never touched it in nine years when he got back into power? Was his leader and the former Minister of Labour, a colleague of my hon. friend from Shelburne-Yarmouth, suffering from electionitis when they travelled around this country and said, "We must have unemployment insurance in this country," and yet never did anything to put it into effect? The right hon. leader of the hon. member for Shelburne-Yarmouth has done nothing in this house but talk of the principles which he upholds, yet did nothing to put those principles into practice when he had the power; and I say here that when the time comes the people of this country will have to judge between a man who always talks principles and does not practise them, and a man like the present leader of the government, who may at times perhaps be inconsistent in some of his statements, but who has the courage and vision to bring into effect corrections of the economic system under which we are living in order to save that system in which we believe. The whole boast of the hon. member for Shelburne-Yarmouth and the other side of the house about their leader is that he has been consistent and my leader inconsistent. Somebody much greater than I once said that consistency was the bane of little minds, and I think that is probably true. I would point out that one of the names in English history which has come down to us during the last half century has been that of Sir Robert Peel, one of the greatest leaders that England ever produced, one of the greatest men that ever stood in the British parliament, and yet a man of whom it was said that before he finally went out of power he had put into effect practically everything that he had opposed earlier in his career. Is it then a crime to change one's ideas if one sees the need of change? I think it was Abraham Lincoln who said that anyone was welcome to his cast-off ideas; and my hon. friends opposite are welcome to the cast-off ideas of the present Prime Minister, or of any member on this side of the house.

Hon. gentlemen opposite, the hon. member for Quebec East, the former Minister of Justice (Mr. Lapointe) and the hon. member for Shelburne-Yarmouth, and even the hon. member for North Battleford (Mr. McIntosh) to-night in that masterly and classical manner of his, have been spending hours in this house telling the people of our country that this legislation that is proposed by the Prime Minister is unconstitutional. Well, if they are convinced that it is unconstitutional, and that it cannot be carried out, as they say—that the provinces will prevent its being carried out—should they not honestly and squarely oppose the measure instead of doing as they are doing, expressing their opposition to it in speech but pretending that they are going to support it in action? That is the attitude they are taking. They tell us that they are for this measure. Without exception hon. gentlemen on the other side of the house, one after the other, except the hon. member for Labelle, have stood up and said: I want it distinctly understood that I am for this measure, but I want it also distinctly understood that the measure is no good, it is unconstitutional. And anybody who has the sense of an ordinary workingman cannot help

but realize that they will do everything they can to make it unworkable if they ever get a chance to put it into effect

The leader of the opposition the other day, in that two-hour weary and dreary speech of his, as usual, made the statement that his government could not put such a measure into effect because they had to balance the budget. Then he showed that they had balanced the budget, that between 1925 and 1930, he said, they had actually cut down the debt of this country by $240,000,000. That was the statement also made on a number of occasions by the hon. member for Shelburne-Yarmouth, that they had cut down the debt of this country by $240,000,000. Well, if they were able to cut down the debt of this country by $240,000,000, were they not then in a position to do a little towards putting into force some of this social legislation that we are attempting to bring in, and was not that the proper time to put social legislation into effect, preparing for days that must come in every nation when times would not be so good as they were throughout the world between 1925 and 1930? But as a matter of fact, Mr. Speaker, one must not take hon. gentlemen opposite exactly at their word with regard to that $240,000,000, because, instead of cutting down the debt of Canada by $240,000,000 between 1925 and 1930, they added to the debt of the railways by $461,000,000. That is what they did. They added to the debt by $461,000,000, and if you take one from the other it leaves a net addition to the debt for which this country is responsible, although indirectly I admit, of $221,000,000 during that time. That is the actual fact.

Mr. DUFF: You have not reduced the debt since, either on the railways or anywhere else.

Mr. MANION: Certainly not, and no one knows better than the hon. gentleman, who is on the railway committee, that it was he and his friends on the other side of the house who put the railway into such a condition that they added to the debt of the railway in one year, as was so well pointed out by the hon. member for Moose Jaw (Mr. Beynon) in an outstandingly able speech to-day, not $205,000,000, as he said, but almost $250,000,000.

Mr. DUFF: And you never opposed one dollar of it.

Mr. MANION: One of our members stood up and did oppose it.

Mr. DUFF: You did not.

Mr. MANION: I have admitted that in the house before. I did not understand it, but hon. gentlemen who were sitting in the government of that day, and who should have known better, permitted the Canadian National to be used as a pork barrel from the Atlantic to the Pacific, building hotels, terminals, branch lines, acquiring dead lines, building steamships and other things, to the amount of $250,000,000 in one year, or over two-thirds of the whole national debt of Canada before the war.

Mr. DUFF: And you never opened your mouth about it.

Mr. MANION: Maybe I did not open my mouth about it, but my hon. friend is very good at opening his.

Mr. DUFF: I do not put my foot in mine like you do.

Mr. MANION: Well, I could put my foot in the hon. gentleman's—there is plenty of room.

Between 1926 and 1929 there was a boom and expansion throughout the world, and the revenues not only of this country but of every country were expanding. That was the time, if ever there was a time, when this country could easily have put into effect social legislation. I made inquiries two years ago of the bureau of statistics as to what were the total wages and salaries paid in Canada in 1931. That was not the boom year, but two years after the boom broke; and I found that the wages and salaries paid in this country—not the dividends and interest paid to the richer people—amounted to $2,500,000,000. One per cent of that would have created a fund each year of $25,000,000. If, as the Prime Minister pointed out the other day, hon. gentlemen opposite had put some legislation of this sort on the statute books at that time, as they should have done, we would have built up a fund of one or two hundred million dollars with which to help bridge over the depression when it came.

Mr. CAMPBELL: You were in power then.

Mr. MANION: We were not in power from 1925 to 1930.

Mr. CAMPBELL: You were talking about 1931.

Mr. MANION: I was talking of the period from 1925 to 1930 when big revenues were coming in, and I say that in that period, at one per cent a fund could have been built up which would have helped us bridge over the depression.

Mr. DUFF: You admit that we were prosperous then.

Mr. MANION: Yes, but not because of my hon. friends opposite. It was because the whole world was booming, and there was nothing that my hon. friend and his friends did to make us prosperous. On the contrary they did everything in their power, by allowing other countries to restrict their markets to us, to wreck this country in trade and everything else.

The right hon. leader of the opposition the other day spoke for two solid hours, and his lieutenants and supporters ever since have been giving constitutional reasons of all kinds, and various other reasons, why this legislation should not go into effect. They have proven through the Liberal convention and the reports of house committees in 1928 and 1929, and even by the book that the leader of the opposition wrote twenty years ago, that he has always stood for these principles, but he has never put them into practice. It reminds me of that rhyme—I may have forgotten the exact words, but it goes something like this:

For of all sad words of tongue or pen,
The saddest are these: "It might have been."

Mr. DUFF: "O wad some power the giftie gie us, to see oursels as ithers see us."

Mr. MANION: I did not catch what the hon. gentleman said.

Mr. BENNETT: Hear, hear.

Mr. DUFF: Will the Prime Minister please keep quiet.

Mr. MANION: About ten years ago I compared the leader of the opposition to Mr. Micawber. When Micawber owed a debt he always insisted on giving a promissory note and thanking God that the debt had been paid, and the leader of the opposition has been apparently under the impression for the last twenty years that so long as he put in books, in speeches, in charts and platforms, principles which he never lived up to when he got into power, the people ought to be satisfied and happy. He has been on all sides of all questions, and any one of us, the humblest member, can take that book which he wrote and which I tried to plough through some years ago, being unable to finish it—and I never met anyone but the leader of the opposition himself who did finish it—anyone, I say, can take that book and prove that the right hon. gentleman has been on all sides of all questions at all times in any period in the last twenty years.

[Mr. Manion.]

Mr. DUFF: You have been on two sides of the reciprocity question.

Mr. MANION: I admit some of my inconsistencies; I wish my hon. friend would admit some of his.

Mr. DUFF: Mine are legion.

Mr. MANION: I know it.

Mr. DUFF: I don't have to admit it.

Mr. MANION: The greatest theoretical reformer in this country has been the leader of the opposition. If this man Hauptmann who was convicted last night—

Some hon. MEMBERS: Order.

Mr. MANION: —had had his abilities in the line of proving an alibi—

Some hon. MEMBERS: Order.

Mr. MANION: —he would not have been found guilty.

An hon. MEMBER: Take it back.

Mr. MANION: There is nothing to take back; I did not compare the right hon. gentleman to Hauptmann. My hon. friends are a little too thin skinned, after some of the remarks they have addressed to this side of the house.

I simply wish to point out that the Liberal party, ever since this measure was introduced, has been pretending cooperation and really opposing the measure. They have done as they have usually done with all the measures which we have introduced at any time in the last four years; they have been fault finding, opposing and offering destructive criticism. They have stood up when they thought it good politics and said, "We are for these measures;" but they put every obstacle in the way of getting these measures on the statute books. They forget that the world throughout the last four years has passed through one of the most terrible crises in its history. They forget that there have been thirty million unemployed, of which number Canada has had but a very, very small proportion, about one or two per cent. In all the industrial countries of the world there have been some thirty millions unemployed, and two-thirds of the world's trade has been cut off by the depression. But my hon. friends have deemed it sufficient for them to play politics, placing party first and the state second. Macaulay once said that none was for the party and all were for the state; but on the other side all are for the party and none is for the state. And that has been so throughout the whole four years. In

my opinion the people of this country realize that the Prime Minister has had the vision and the courage to recognize the necessity for correcting the errors of our system. Anyone who is not totally blind and deaf knows that the system under which we live has very serious errors. No system under which young men and young women, boys and girls coming out of our schools and colleges, find it impossible to get work; no system under which there are hundreds of thousands of people who are willing to work and unable to get work, who cannot earn the necessaries of life for their loved ones; no system that permits that condition is a good system. The system should be corrected, and my right hon. leader, the Prime Minister, is attempting to correct these errors from within. But my hon. friends are doing everything they can to prevent the system being corrected—what for? For purposes of party politics and nothing else. The leader of the opposition says that this measure will do nothing for those who are at present unemployed and that we are not worrying about the future. That is another attempt to capitalize discontent. Have we had any support from him during the last four years, and particularly during the last year, when we supplied $40,000,000 for public works?

Mr. DUFF: Did we not vote for it?

Mr. MANION: When it was in your constituency, yes.

Mr. DUFF: There was not a dollar in my constituency and I voted for it.

Mr. MANION: My hon. friend does occasionally vote against his party.

Mr. DUFF: But you said a moment ago that I didn't. Be consistent.

Mr. MANION: I was not speaking of the hon. gentleman but of his party. His whole party opposed the empire agreements—

An hon. MEMBER: And we will again.

Mr. MANION: —and to-night they have been criticizing the central bank. They have criticized the marketing act, and for weeks in this house they opposed assistance to the provinces, assistance to the municipalities, assistance to the railways, because the Prime Minister had the courage in a time of necessity to guarantee, at no cost to Canada, so far at any rate—and I do not think it will cost the country a cent—money for the Canadian Pacific Railway in relation to some of their commitments.

Mr. DUFF: We voted for it.

Mr. MANION: You may have voted for it but you talked against it. My hon. friends usually get in line and vote for what looks good politically, but they always stand up and oppose everything that is brought forward. We looked after the drought area in Saskatchewan, where there were 300,000 people on relief. This government took care of them and received little thanks from the members from Saskatchewan on the other side. We took care of camps for the young and we were accused of setting up slave camps for these young people. And we have safeguarded the credit of the country. Practically every measure of a constructive kind which this government has brought forward in the last four years, and particularly during the last year, has met with fault finding and destructive criticism on the other side—in other words, party politics. That is what we have been receiving from the other side. They have been sitting by hoping that something would turn up to keep the depression going until an election came around, hoping that they would float into power on a tide of discontent.

Mr. DUFF: What about the Prime Minister, in his radio speech, priming the pumps?

Mr. MANION: So far as that goes, the reform measures will prime the pumps of progress and prosperity. I admit that my hon. friends opposite, and I say this as one Canadian to other Canadians—

Some hon. MEMBERS: Oh, oh.

Mr. MANION: I say that they are just as good Canadians as I am; I do not question that.

Mr. DUFF: You didn't say that a minute ago.

Mr. MANION: Politically you are not. As Canadians my hon. friends are just as good as I am—

Mr. DUFF: Thank you.

Mr. MANION: —and I therefore appeal to them in this time of crisis not to talk cooperation and put up opposition, but to talk cooperation and carry it out. I admit that most hon. members really believe that it is time for them to get behind these progressive measures and to help us to put them into effect, instead of raising every objection, constitutional and otherwise, which they can

think of, to delay and embarrass and obstruct the government at every possible turn. Instead of doing that I appeal to them to join with this government and assist us to put into effect legislation which will be beneficial to the country.

Mr. BENNETT: It is obvious that I cannot reply to-night—

Mr. DUFF: Ten minutes yet.

Mr. BENNETT: I am prepared to go on, but it will serve no useful purpose.

On motion of Mr. Bennett the debate was adjourned.

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

Friday, February 15, 1935

The house met at three o'clock.

CANADIAN NATIONAL RAILWAYS

BILL TO PROVIDE FOR THE APPOINTMENT OF AUDITORS

Hon. R. J. MANION (Minister of Railways and Canals) moved for leave to introduce Bill No. 20 respecting the appointment of auditors for national railways.

Some hon. MEMBERS: Explain.

Mr. MANION: This, Mr. Speaker, is merely the annual appointment of the auditors of the Canadian National Railways, as called for by the act.

Motion agreed to and bill read the first time.

Mr. SPEAKER: When shall said bill be read a second time?

Mr. DUFF: Now.

Mr. MANION: I think the bill will have to be printed in English and French before it can be given second reading. I am afraid someone might object if that were not done.

BUSINESS OF THE HOUSE

PRECEDENCE FOR GOVERNMENT BUSINESS ON AND AFTER WEDNESDAY, FEBRUARY 27

Right Hon. R. B. BENNETT (Prime Minister) moved:

That on and after Wednesday the 20th instant to the end of the session, government notices of motions and government orders shall have precedence on Wednesday over all business except questions by members and notices of motions for the production of papers.

He said: As I stated previously, the government is entirely in the hands of the house in regard to this motion. If it is the wish of any substantial number that another Wednesday should be made available for private members we are quite prepared to agree.

Hon. ERNEST LAPOINTE (Quebec East): So far as this part of this side of the house is concerned we do not want to put any obstacles in the way of the Prime Minister taking up all the remaining days of the session.

Mr. J. S. WOODSWORTH (Winnipeg North Centre):): Mr. Speaker, we are just as anxious not to put any obstacles in the way, but we would like it very much if there could be another private members' day.

Mr. NEILL: Hear, hear.

Mr. BENNETT: Then if I may be permitted to do so I will move that the motion be amended to read the 27th instead of the 20th, so that the 20th will still be available to private members.

Motion as amended agreed to.

MARKETING BOARD—ADVANCES

On the orders of the day:

Hon. ROBERT WEIR (Minister of Agriculture): In reply to a question asked yesterday by the hon. member for Weyburn (Mr. Young), based on a telegram he received, I may say that the marketing board has advanced money to organizations in western Canada, with definite conditions attached to the advancing of such money. None of these conditions state that it is for the purpose of promotion.

Mr. STEWART (Edmonton): What is that?

Some hon. MEMBERS: Speak out.

Mr. WEIR (Melfort): None of these conditions state that it is for the purpose of promotion.

Mr. YOUNG: Can the money be used for the purpose of promotion?

Mr. WEIR (Melfort): It depends on the interpretation of the word "promotion," I think.

Mr. YOUNG: That is not very satisfactory.

CANADIAN NATIONAL RAILWAYS

APPLICATIONS BEFORE BOARD OF RAILWAY COMMISSIONERS TO ABANDON BRANCH LINES

On the orders of the day:

Hon R. J. MANION (Minister of Railways and Canals): Mr. Speaker, yesterday the hon. member for Vancouver Centre (Mr. Mac-

kenzie) asked a question as to the number of applications by the Canadian National Railways for the abandonment of branch lines. The answer is: Twenty-four.

GRADE CROSSING FUND

On the orders of the day:

Hon. R. J. MANION (Minister of Railways and Canals): Mr. Speaker, in discussing the resolution of the hon. member for East Toronto (Mr. Church) regarding automobile accidents the hon. member for West Middlesex (Mr. Elliott) asked about the number of grade crossings which had been eliminated through assistance under the grade crossing fund. With the permission of the house I should like to place on Hansard, for the information of all hon. members two brief statements which I shall not read. Statement "A" deals with the operations towards which there were contributions from the railway grade crossing fund, and statement "B" shows the number of improvements carried out between the years 1930 and 1934, inclusive. This statement is not restricted to projects which participated in the railway grade crossing fund, but covers all crossing protection arrangements and devices whether participating in the fund or not. If the house is willing I will place these tables on Hansard. They are as follows:

STATEMENT A

From the first day of April, 1909, to the thirty-first day of December, 1934, the board ordered contributions from the railway grade crossing fund towards the protection of 1,487 crossings, as follows—

By automatic interlocking plants	14
Closing crossings	181
Crossings eliminated	96
Diversion and overhead bridge	8
Diversion and subway	6
Diversion to subway	4
Electric bell	203
Electric bell and flashlight	2
Electric bell and wigwag	454
Electric bell and wigwag and removing obstructions to view	7
Easing curve on approach to bridge	1
Gates	125
Gates automatic	3
Gates electric	1
Gates and half interlocker	1
Grade reduction on crossing approaches	6
Footbridge	1
Lengthening ringing circuit of bells	2
Lightning flash signals	50
Overhead bridges	90
Pedestrian subways	2
Shelter (Watchman)	1
Removing obstructions to view and reducing grade	6
Removing obstructions to view	93
Subways	118
Tower (Watchman)	3
Tunnel	1
Floodlights	1
Wigwags	7

There were 229 highway diversions constructed which made it possible to close 181 crossings, and eliminate traffic from 96 crossings.

STATEMENT B

Showing number of Highway Diversions Made; Highway Crossings Closed; Overhead Highways Provided, also Crossing Subways, Wig-Wag and Bell Signals installed under orders of The Board of Railway Commissioners during the years 1930, 1931, 1932, 1933 and 1934.

Province	Highway Diversions	Highway Crossings Closed	Overhead Highway	Crossing Subway	Wig-Wag Signal	Bells and Wig-wags	Electric Bells
British Columbia	24	21	8	0	0	0	0
Alberta	79	85	1	2	0	1	0
Saskatchewan	212	245	3	4	0	0	0
Manitoba	37	69	2	3	0	0	0
Ontario	54	66	37	42	22	180	0
Quebec	43	47	43	55	2	5	15
New Brunswick	2	18	0	0	0	8	8
Nova Scotia	17	20	0	1	1	7	16
Prince Edward Island	1	1	0	0	0	0	0
Total	469	572	94	107	25	201	39

AYLMER, QUE., WHARF

On the orders of the day:

Mr. F. W. PERRAS (Wright): Mr. Speaker, I should like to draw the attention of the Minister of Public Works (Mr. Stewart) to a motion for papers standing in my name and passed by the house on February 4, asking for the production of all petitions, letters, reports of engineers and other documents in the possession of the Department of Public Works and received during the years 1933 and 1934, regarding the proposed expenditure of $7,000 on a public wharf at Aylmer, in the county of Wright. Could the minister tell me when these reports will be tabled.

Hon. H. A. STEWART (Minister of Public Works): Mr. Speaker, as the hon. member is probably aware, the number of requests in the current year for reports and returns from the Department of Public Works has been exceedingly high. We have had to employ additional stenographers for the purpose of preparing such reports. I shall make an inquiry and see that the information is brought down as early as possible.

UNEMPLOYMENT RELIEF—QUEBEC

On the orders of the day:

Hon. W. A. GORDON (Minister of Labour): Mr. Speaker, yesterday the hon. member for Laprairie-Napierville (Mr. Dupuis) asked me if I would table a copy of the correspondence which passed between myself and the Premier of Quebec with respect to contributions by the province and the dominion towards direct relief. I desire now to table the correspondence.

ROYAL CANADIAN MOUNTED POLICE

EXTENSION OF PENSION PROVISIONS AND DISTRIBUTION OF FINES AND PENALTIES

Hon. HUGH GUTHRIE (Minister of Justice) moved the second reading of Bill No. 9, to amend the Royal Canadian Mounted Police Act.

Motion agreed to, bill read the second time and the house went into committee thereon, Mr. Smith (Cumberland) in the chair.

On the short title.

Mr. POWER: Would the minister tell the committee how many men would be affected by this change. I believe on the last occasion the matter was under discussion he said there would be only two or three.

Mr. GUTHRIE: So far as is known, there are only four.

Mr. POWER: Has the minister any objection to naming them?

Mr. GUTHRIE: I do not know the names of all, but I do know the names of two. One is a man named Bowen, a sergeant, and the other is Jennings, the assistant commissioner. I am told that there may be—it is not certain—two in the west, whose names I do not know.

Mr. POWER: Is there any reason why the principle contained in this bill should not be extended to the entire civil service? Why do we differentiate?

Mr. GUTHRIE: We did differentiate in the case of the military forces of Canada.

Mr. LAPOINTE: I know.

Mr. GUTHRIE: I do not know that I have any particular objection to extending the measure, but it could not be done in this bill.

Mr. POWER: Why are we giving special treatment to the police,—better treatment than we give to any other branch of the service, with the possible exception of the militia? They are not civil servants, but a good many of them were—

Mr. DUFF: In some cases very uncivil.

Mr. POWER: I am told that not only are they very uncivil, but in some respects they have been endeavouring to introduce into this country some of the practices which prevail in countries in Europe, and which would not be for the good of this country as a whole.

Mr. LAPOINTE: I was going to say a word on this subject when we reached sections 4 and 5 of the bill. I believe this is a continuation of a new policy which seems to militarize the Royal Canadian Mounted Police. During the past three years it seems to have been the custom to consider members of the force as military men. Their years of service in the militia count, and in many other ways they have become to some extent what people would call militaristic. I think it would be a great mistake if that was the spirit that was to prevail in the end. The police force of Canada or of any country should be kept as far away as possible from the military end of the national organization. They should act in quite a different way, but I have heard it said during the last two or three years that military methods were being introduced in the mounted police, and I am certainly not in accord with that.

Mr. GUTHRIE: Mr. Chairman, in reply to my hon. friend from Quebec East I entirely agree with him that the force is not a military force, should not be so treated and should not be so considered. It was established as a police force and in order to keep it as a police force it was thought better in the early days to attach it to the Department of Justice rather than to any other department, in order that it might remain purely and simply a police force, and there it is at the present day. I know of no military operation or anything in the nature of a military operation that the force has ever been called upon to perform unless in connection with the northwest rebellion of 1885. The training is police training; the whole

idea of the training and of the system is to keep the force distinctly a police force. If my hon. friend from Quebec East would mention some of the instances to which he refers I will make inquiry into them.

Mr. POWER: Only recently the newspapers carried a report of a complaint that was made by a barrister in Halifax, Nova Scotia, a Mr. McInnes, who complained very bitterly of the treatment that was meted out to one of the witnesses of the accused, I forget which, in the recent cases involving charges of evasion of the customs laws. My recollection is that very grave charges of undue exercise of third degree methods were made against the officers of the police. I think it might be interesting to the house to know to just what extent the Canadian military forces or the Canadian police are entitled to use third degree methods. Just because they are in effect in other countries, have we decided that we are going to carry on this very un-British practice of persecuting or tormenting people in order to make them confess or make statements to the police which they otherwise would not make? I think it might be informative to the house if the minister would give us a statement as to the authority of the mounted police in matters of that kind.

Mr. GUTHRIE: I may say in reply to my hon. friend who has just taken his seat that I would resent just as much as he does, or anyone else would, any insinuation that what are known as third degree methods were employed by the police. I have heard statements made and I have made inquiries in regard to specific cases, and I am satisfied that there is no foundation for such charges. The police are instructed otherwise. They are a police force. I am aware that in some parts of the world what are called third degree methods are in vogue and it may be in some municipal forces in Canada, although I do not know that; but positive instructions are issued to the Royal Canadian Mounted Police that no third degree methods are permissible and if any member of the force seeks to practise them I only wish it would be reported.

Mr. POWER: Is the minister aware of the affidavit or statement that was made by a Mr. Russell McInnes, a barrister of Halifax, I think, relating to the questioning of a Mrs. Carline.

Mr. GUTHRIE: I cannot recall the case.

Mr. POWER: It was within the last three weeks.

Mr. GUTHRIE: Three weeks?

Mr. POWER: Three weeks or a month ago.

Mr. GUTHRIE: No, but a number of cases have been brought to my attention during the last four or five years, and after investigation in all these cases I have had to come to the conclusion that the charges were absolutely unfounded.

Mr. DUFF: Did the minister see in the newspapers that the mail of one of the members of parliament in this country had been opened by these so-called mounted policemen?

Mr. GUTHRIE: No, I have never heard of that complaint.

Mr. VENIOT: Mr. Chairman, on the question of the conduct of the mounted police in the matter of the use of third degree methods, I brought a case to the attention of the Solicitor General last session, I think it was, and the Solicitor General promised to make an investigation. Apparently an investigation was made in an ex parte manner, if I may use the term, and the report was sent in to the department that there was no foundation for the statement. I repeat here to-day that there is foundation, that there was no proper investigation held, and I want now to go one step further.

Another case arose in my town where the mounted police, the same ones I complained of before, put a prisoner, the accused, through the third degree in the worst manner possible. The young man was accused of manslaughter. He was supposed to have been driving at night and to have struck an individual and not to have stopped when the accident took place. The man died and this young man was arrested by the mounted police. He was not put in gaol but taken before the mounted police and questioned. The officers who questioned him were not the ones who took what purported to be his confession, and those officers who questioned him told him that the car they had examined had blood on it and that one of the mudguards in front was broken and that a piece of it was found on the road, which was an absolute lie. I was present in court, and one of the mounted police was asked whether he was a party to the questioning. He said no. Then he was asked, "Were you a party to examining this car?" He said yes. Then he was asked, "If a confrere, a brother policeman of yours, made the statement that there was blood on that car and that one of the mudguards was

broken, would you say that he told the truth?" "No," he said, "I would say he lied." I was present in the court and heard this. The young man, he was just a young boy of eighteen or nineteen, had gone over that road the night of the accident but said he had never struck anybody so far as he could ascertain. He did in a matter of confession, after this third degree questioning, after he was told there was blood on his car, after he was told the mudguard was broken, say, "I may have struck somebody lying down on the road but I certainly did not knock a man down." While the trial was going on before the supreme court Mr. Justice Le Blanc refused to allow this purported confession to be put in evidence because the policeman who had questioned the prisoner was not the one who was in court and he could not be found, and for that reason the purported confession was not allowed in evidence.

What happened? The jury cleared this young man but the police brought a charge against him for violent and dangerous driving, whatever the term is, before a police magistrate, and this purported confession that he had made to the police was allowed in evidence before the police magistrate and the young man was fined $50 and costs for vicious or violent driving.

I am making this statement on my honour as a member of the house. The third degree was applied to that young man, and I do not want to see any more investigations like the one that was held by Captain Salt, who is head of the police of the province. Captain Salt on that occasion came all the way from Fredericton to Bathurst, and he assisted at that inquiry by the police, and then went home. After Captain Salt had gone back to Fredericton the young man was taken before two policemen who had not questioned him but who knew the questions that he had been asked and the answers he gave, and they induced him to make a sort of confession which was used against him. Now if this is going to be allowed to go on, the worth of the mounted police will be at an end. Their authority will be no longer any good.

Take the case in the province of Quebec to which reference has been made. In that instance there was almost a forced confession, and I do not care what police force was involved in it; I am discussing the question of third degree methods. The supreme court refused the evidence. Now I submit that if the mounted police or any other police force are going to use methods of that kind to get evidence, then bringing the criminals before the court, you cannot expect to get convictions. No justice of the court, made aware of the circumstances under which such evidence is obtained, is going to allow such confessions to go in. There is a method of obtaining evidence and the police are paid for doing that work; but they are not paid for this third degree business.

Referring to the case mentioned by the hon. member for Quebec South, the McInnes case, let me call the attention of the attorney general to another case—and perhaps I am out of order in discussing it inasmuch as it is before the courts now for preliminary examination. A lady and her daughter have produced evidence—I saw the affidavit myself—showing that the mounted police went to their house and demanded to know where her husband was. Apparently she did not know at the time, whether he was in the city or not and they demanded that she go to the bank and open the safety deposit box in the name of her husband and herself. She refused, and the policeman who was there, accompanied by another told her that if she did not appear at the bank at 10 o'clock the next morning he would break the box open with an axe. At 10 o'clock the next morning she was there, and under threats she opened the deposit box and the police took out of the box all the papers belonging to these people. When the matter came up before the court the other day in Montreal, and this question of third degree methods was involved, the lawyers prosecuting refused to file the documents taken out of that box, in order to prevent this lady from going on the stand with her daughter and giving evidence. The policemen denied the affair and the court decided that the affidavits would not be taken because the individuals could be produced. The defence offered to produce the individuals and brought them there at two o'clock in the afternoon. In the afternoon at two o'clock the prosecuting attorneys refused to file the papers taken out of the box, so that these ladies could not be put on the stand as witnesses to prove that the mounted police had attempted by third degree methods to procure the documents. I would direct these cases to the attention of the attorney general. I have seen the affidavits in the Montreal case, and I was present in the court and followed the whole proceedings in the case that came up in Bathurst, so that I know that third degree methods have been applied. I would ask therefore for an investigation not by Captain Salt in Fredericton, the head of the mounted police of New Brunswick, but by a person sent from the Department

of Justice in Ottawa, someone who will not play favourites with anyone but will carry out a fair and square investigation of the facts. And I will be prepared to produce witnesses because I do not want an ex parte investigation.

Mr. GUTHRIE: I should be glad to grant the request of my hon. friend in regard to the New Brunswick case which he has mentioned and which has not been brought to my attention before.

Mr. VENIOT: No, I did not bring it to your attention.

Mr. GUTHRIE: The hon. member makes a complaint as to some confession which was allegedly taken by third degree methods. My idea of third degree methods is that they are methods whereby men are cajoled and threatened and tortured and exhausted, as a result of which statements are obtained from them.

Mr. VENIOT: I gave you cases.

Mr. GUTHRIE: I am satisfied that nothing of the kind has taken place.

Mr. VENIOT: I am satisfied it has.

Mr. GUTHRIE: We have no particulars of it yet. But it is common in every police system in the world, I think, to question witnesses or supposed criminals before they are arrested. It is the method of doing it that is sometimes called the third degree, but the mere fact of questioning transpires, I think, in every important criminal case in this country. If confessions are obtained by threats or promises the court very properly rules them out. The court in New Brunswick, according to my hon. friend's statement, did rule out the confession against this man who was charged, but subsequently when the matter came before the magistrate's court, he was fined $50 for reckless driving or something of the kind. If there is any complaint in regard to that, it cannot be made against the mounted police but against the judiciary or the magistrates of New Brunswick. We do not enforce the criminal laws in any province; the provinces enforce them, and if the magistrate has made a mistake there is recourse and appeal can be taken against his decision under the laws of New Brunswick. So far as I can see, however, no wrong has been done, nor has any injury followed. But to gratify my hon. friend, because he is always very positive in his statements, I will have an investigation made by someone outside the establishment in the province of New Brunswick. I will have it done by someone from Ottawa. I do not know about the Montreal case, and if I did I would not discuss it now, because it is before the courts. But on the statement that has been made, I see nothing to complain of in the conduct of the mounted police.

Mr. VENIOT: Surely the Minister of Justice does not mean to say that there is nothing wrong in the conduct of the mounted police, from the statement I have made. Will he approve of the mounted police lying to an individual—

Mr. GUTHRIE: No.

Mr. VENIOT: —and telling him that there was blood on the car when there was not, telling him the mudguard was broken when it was not, in order to induce that individual to admit that he must have struck the man? He lied to him, misrepresenting the whole situation.

Mr. GUTHRIE: That is the case I promise to investigate.

Mr. VENIOT: Then I will ask the minister this. When the investigation takes place, I will ask him not to have it held until I am at home after the session.

Mr. GUTHRIE: I will agree to that too.

Mr. VENIOT: I ask that because I want to push this thing to the limit.

Mr. GUTHRIE: And if the hon. member will write me a letter giving names and dates, I shall have the preliminaries prepared, awaiting his return home.

Mr. VENIOT: Here is another thing about the conduct of the police. I hold a return from the Department of National Revenue in connection with the seizure of a vessel; I will not discuss that now; I will discuss the question fully when it comes up in the estimates. But I inquired what instructions were given the mounted police in connection, first, with the destruction of the vessel, and secondly, with the destruction of the liquor seized on board. The Department of National Revenue replied that they gave definite instructions for the destruction of the vessel and the destruction of the cargo. I then asked whether instructions were issued by the Department of National Revenue for the disposal of the stores found on board this vessel, and, if so, what those instructions were. The answer is, "No specific instructions." Now I want to know this. If the police received no specific instructions to destroy the stores of the ship, were they justified in taking those stores which had been seized on board the ship and carrying them to a private house of one of the mounted police, whose family were living there, and

who had custody of those stores? They took them without specific instructions to take the ship's stores, consisting of pork, biscuits, flour and other provisions amounting to $600. They took these stores down to the shore, poured gasoline over them and destroyed them in the presence of hundreds of people who were on relief and who were pleading to get the stores rather than to see them destroyed. The department replied to me that no specific instructions were issued. I want to know whether the mounted police were justified in destroying those stores in that way.

Mr. GUTHRIE: I would very much prefer if cases of this kind were brought to my attention on the estimates of the mounted police and not on this bill. I would then have the commissioner in front of me and be able to give the information.

Mr. VENIOT: I will bring the matter up then. I just wanted to bring it to the attention of the house.

Mr. RALSTON: May I ask the minister what are the relations between the Department of Justice and the mounted police? Is the mounted police under the instructions and directions of the Department of Justice with regard to instituting prosecutions? My reason for asking the question is this: It sometimes appears as if the mounted police used entirely their own discretion as to what informations they should lay and what prosecutions they should commence, and on inquiry an intimation is given that the Department of Justice has nothing whatever to do with the matter. Is that the situation or does the minister consider himself as having control of the mounted police and as having the mounted police in aid of the civil power as vested in him for the purpose of prosecutions and the enforcement of law?

Mr. GUTHRIE: Under the statute the Minister of Justice is described as the minister in control of the mounted police; that is the official title. But so far as prosecutions instituted by the mounted police during my term as Minister of Justice are concerned, I have not interfered with those prosecutions. I am referring to prosecutions involving rights of the crown, the revenues of the crown and the like, smuggling cases, all revenue cases. When a prosecution is instituted, it is instituted by an officer of the mounted police and in the vast majority of cases without my knowledge. That is the instruction which the commissioner has in regard to such cases. That pertains particularly to the three provinces of Ontario, Quebec and British Columbia in which the mounted police has no jurisdiction outside of government cases. But in all the other provinces, under agreements made with the provincial governments, the mounted police does perform the police duties of the whole province, and in those provinces it is more or less under the direction of the attorney general of the province concerned. I am not in any way consulted about the cases in those provinces. But in Ontario, Quebec and British Columbia in revenue cases, the action taken is taken on the initiative of the mounted police itself. Of course in the more important cases I am asked to nominate counsel for the conduct of the proceedings and in the majority of cases that is the first intimation I have that a prosecution is taking place. I have felt that it is not part of my duty to interfere in these prosecutions. I have time and again been requested by very able counsel, by the leading lawyers of this country, to intervene and to give them an opportunity of laying their case before me in order, I suppose, to allay or delay the prosecution or something of that kind, and I have refused to consider the question or to consult with them. Therefore to that extent in revenue cases the action taken is taken by the mounted police; they have control of the proceedings and they are very averse to any interference from any source whatever. Of course there are cases in which they do consult me, but not in regard to initial prosecution; they consult me in regard to the conduct of the case, the lawyers and the like.

Mr. CASGRAIN: I would like to call attention to an incident which happened in my constituency. On one occasion an officer of the mounted police came there in connection with a man in charge of a vessel. I do not know whether he gave this man instructions to put up his hands, but without any interference or provocation from the man, this mounted police official started to shoot all around. I do not know what took place afterwards, whether the question was taken before the courts and what was decided, but on that occasion the people were making complaints, such as have been made here to-day, that mounted police officers in our part of the country were taking the law into their own hands and administering it in a highhanded fashion. The Department of Justice, under whose administration the mounted police force is, ought to be careful to see that the instructions given to mounted police officers, not only when they are acting in their capacity as mounted police officials but at

other times as well in those districts, are very strict so that similar incidents will not occur again.

Mr. GUTHRIE: If the hon. member will give me the names involved in the case he has just mentioned, I shall get a full report.

Mr. RALSTON: Following up my remarks and the reply made by the Minister of Justice, I am not talking about the matter of conducting prosecutions; what I am speaking of is the control of the minister in reference to instituting prosecutions. From some reports which have come to me, it seems that there have been cases in which the mounted police should refer to someone who understands the legal significance of the situation before the prosecution is actually commenced. In other words a report should be made to the minister in connection with revenue cases or any other cases under the dominion statutes, just as a report is made to the attorney general of a province or the crown prosecutor in a district, so that the attorney general or the crown prosecutor may give instructions and advice as to the person or persons against whom prosecution should be brought. What I am endeavouring to bring home to the minister is the idea that, it seems to me, he should not give up the control which the statute gives him over any part of the duties of the mounted police. He should not give them a blank cheque even to bring prosecutions without reference to him.

Mr. GUTHRIE: I suppose if the rule as suggested by my hon. friend were adopted, it would apply to all cases. In many cases which one might call the more important ones, I have had occasion to discuss with the commissioner the case itself or perhaps the nature of the prosecution that took place, but I have never interfered with what he thought right to do in prosecuting this, that or the other person. The commissioner has of necessity had to consult in many instances some legal authority and in such cases he has consulted the law officers of my department and in some instances he has discussed the matter with me also. That does not apply to the general run of prosecutions. I suppose hundreds of them take place that I never hear about and no one in the Department of Justice hears about. I received a return to-day that in the last six months there have been forfeitures declared of cars and liquor amounting to $994,000. I never heard of those cases but the prosecutions have taken place. Those are conducted by the mounted police; but if serious matters arise such as the seizure of a big vessel or a serious breach of the Customs Act, those matters would come to me through either the mounted police or the Department of National Revenue and in such cases we would advise. We do maintain general control of the mounted police, but "minister in control," as I think my predecessor will inform the house too, really means the person to represent the force in parliament, to see that the necessary supply is voted, to obtain any amendments that may be necessary to the law, and to have general charge of the force. So far as the internal economy of the force goes, I do not intermeddle at all. For instance, appointments, promotions and the like come before me as a matter of form for confirmation, but I leave these things entirely to the commissioner whom I believe to be well qualified to manage the force. In legal matters in more important cases consultations take place, but thousands of prosecutions are never heard of by the department.

Mr. RALSTON: All I want to impress upon the minister is that I submit that he should not, and I take it from his statement that he does not, treat the matter of control which is given by the statute as a purely formal or administrative matter. The police, after all, are like the military, used in aid of the civil power, represented in the person and office of the minister and for them he is responsible to parliament.

While I am on my feet, if I may refer to section 4, since we have discussed it—

Mr. GUTHRIE: As my hon. friend prefers.

Mr. RALSTON: Perhaps my hon. friend will permit me to refer to sections 4 and 5, the pension sections. Hon. members who have preceded me have spoken of the objection to this legislation on the ground that it seemed to put the police on the basis of a military force. The minister states that the police are not a military force, and of course we know that legally they are not. Nevertheless I submit that the explanation that appears on the opposite page would indicate that the police have the idea that they should be treated as on all fours with the permanent military forces of Canada as far as remuneration, pay and allowances are concerned. I submit that the adoption of that principle in connection with the administration of justice in Canada is dangerous, and that it is no sufficient reason for increasing pensions to the Royal Canadian Mounted Police that it happens that such and such a pension may be allowed to the military forces of Canada. The police are a civil force, their pensions are

more properly approximated to the pensions of civil servants. That is the first point.

The second is, I submit that at this time when we are trying to soften a little the blows which the taxpayer is receiving, we should not rush to add further pension allowances or bonuses to the Royal Canadian Mounted Police, particularly when those who would benefit by this provision are men who have entered the service under a contract which did not contain any such provision; in other words that this is a straight bonus added to pay, there is no contractual obligation of any kind, and no moral obligation, I take it, to make these payments. It seems to me that this money can be saved. The Minister of Justice may say that only a few men are involved; that does not make any difference to the principle. I feel that we ought to know, and I ask the minister if he would give us the information or get it, just how many men and how much money are involved in connection with this amendment made by sections 4 and 5. I do not think this is the time to make ex gratia payments to members of the Royal Canadian Mounted Police, or anyone else for that matter, in view of the obligations resting upon the country at the present time.

Mr. GUTHRIE: I inquired this forenoon as to the number involved, and the commissioner assured me it was four. He gave the names of two and said there would be two in the northwest though he was not so sure of them, but he said that four was the maximum.

This should be borne in mind, that these pensions are not free gifts to these men from the government of Canada. If this bill passes they will only be allowed to count the time served in South Africa in computation of the number of years service, and they have to pay for all the years that are so added to their service period. The pension plan was originally formed on actuarial computations and was self-supporting. Now I am inclined to think it is not fully self-supporting, neither is the militia pension. Originally the Militia Pension Act was administered on the basis of contributions from the members and was self-supporting. It was when I was in the department some fifteen years ago, but I am inclined to think it is not self-supporting now. But the four men involved under this bill will have to pay all the arrears before they are entitled to count those years towards pension, and if the treasury of Canada is involved in the matter at all, it will be to a very slight extent. But I assure the hon. member that four is the maximum number of men.

[Mr. Ralston.]

Mr. RALSTON: My hon. friend knows that this amendment would never be suggested if these men have to pay in as much as they get out.

Mr. GUTHRIE: No, not as much.

Mr. RALSTON: Then it is obvious that there is a grant from the parliament of Canada, or this amendment would not be suggested. I suggest that the minister might well give us a statement showing just how much is involved and what payment would be received by the government on account of it. I presume it is a five per cent deduction for the years to be counted under this amendment.

Mr. GUTHRIE: I think I can furnish that statement to the hon. gentleman.

Mr. REID: The minister pointed out that British Columbia is one of the provinces that maintain a provincial police force and in that province the Royal Canadian Mounted Police are not in charge. The municipal police and the provincial police there I think are fairly competent. My reason for rising at this time is to draw the attention of the minister to what I call a racket that has been going on in British Columbia in the municipality of Richmond this last year under the Royal Canadian Mounted Police. I think this is a proper time to call the matter to his attention, because if it is allowed to go on it is going to be very serious for the people and residents out in that province. Having had some municipal experience, I fully realize that there are cases in which one has to hire a certain type of person if the object is to catch someone who is selling liquor for instance or otherwise breaking the law. But we had in the municipality of Richmond last year men engaged by the Royal Canadian Mounted Police who deliberately went out and framed people. It was not a case of going out and asking a man if they could get a drink from him, it was a case of going and saying to him, "Would you like to make some money? If so I will provide you with some liquor." If the man fell for this story then in a short time the Royal Canadian Mounted Police came along and picked him up.

Let me lay this case also before the minister: this man has an electrical store in New Westminster. One morning there walked into his store a man with a small radio, saying he would like to exchange it for another radio. After some discussion he took another radio costing a little more and turned in this small radio in exchange. Half an hour later two Royal Canadian Mounted Policemen

walked in and arrested that man for having a radio that was smuggled into the country. Where is that going to land us if men like these are let loose on the country? In the liquor case also the man was hired by the Royal Canadian Mounted Police, and no action was taken even when it was drawn to the attention of the officers that the man they were engaging was a fugitive from justice in New Zealand and should not be in this country at all. When the police of Richmond endeavoured to get some information they found themselves blocked by the Immigration department officers, who said, No, we cannot give any information because we are a little afraid of the Royal Canadian Mounted Police; if we say or do anything we might come under their displeasure. It seems to me that all a man has to do if he commits some crime is to get hired by the Royal Canadian Mounted Police, and he will be immune. These matters are serious. The municipal police are endeavouring to and do enforce the law, the provincial police the same, and in an efficient manner and I do not think it is the duty of the Royal Canadian Mounted Police to hire men to go through the country and deliberately ask men if they would like to make some money, and if they ask, How? Oh well, we will supply you with a little liquor and the bottles and the labels. This thing has been going on for some considerable time.

I have in my hand a court record. It has to do with a case in which a man was picked up by the municipal police and charged with selling liquor. When he was in the witness box the judge called him a blatant and unrepentant liar, and he was in the employ of the Royal Canadian Mounted Police. As one who has looked into the matter I say that if this thing is not stopped and if men hired by the Royal Canadian Mounted Police can go around the country, frame you and report the matter to the Royal Canadian Mounted Police who come along shortly after and pick you up the lives of people will not be safe. I should like the minister to take serious note of this, also to tell the house if any of the moiety was paid to these men, and what moiety they receive.

Mr. GUTHRIE: None.

Mr. REID: I understand from the statements of the men that they were engaged at $150 a month. I realize that perhaps a certain type of individual has to be hired to do this kind of dirty work, but surely we are not going to have the mounted police stoop to engaging men who then deliberately go around doing these things, really encouraging the people to break the law. I have the case of a young man who had left Halifax and was going along one of the roads in British Columbia, destitute not knowing whether he could find work or whether he would be taken into a camp. A man came along and asked him if he would like a lift, and naturally he said he would. During the course of the ride the man asked him if he would like to make a little money. Just imagine asking a destitute man that question; naturally he said he would, so the man said, "I will put you wise to this" and fix you up. So he proposed to supply him with the liquor and the bottles and let him set up for himself, and the boy fell for that proposition. The next day the mounted police picked him up. To me it looks very much like a little racket. Either these men are getting paid for doing this sort of thing or they want to show the great activity of the mounted police in British Columbia. This is a very serious situation, and I want the minister to give an assurance that this will be looked into and investigated and an end put to this kind of thing.

Mr. GUTHRIE: Again I would suggest that my hon. friend bring up this matter on the estimates rather than on this bill. As I understand it this alleged racket is in the municipality of Richmond?

Mr. REID: Yes, it was, but it is also being carried on in other parts of the province.

Mr. GUTHRIE: If my hon. friend will write me a letter or give me something definite to investigate I will be very glad to do so. His statement, which I will read in Hansard to-morrow, is very general, and I do not know just where I would start in order to investigate it, except that I could make some investigation in regard to the municipality of Richmond. As to the moiety, there is no moiety that goes to the police. Any rewards, fines or anything of the kind go into a trust fund and the men get nothing themselves.

Mr. REID: Certainly I will write the minister, but if he wants the information now I can give him all the details.

Mr. GUTHRIE: Or if my hon. friend would give me the facts when the estimates are going through I could attend to it then.

Mr. HOWDEN: It was with a decided sense of regret that I listened to the charges made against the Royal Canadian Mounted Police. No one could have lived in western Canada at about the time of the northwest

rebellion and since without being thrilled with a certain degree of pride in the old Royal Northwest Mounted Police. No finer body of men either physically or mentally was ever gathered together in any part of the British empire, and if they have degenerated through being brought to eastern Canada I think it is a great pity and a great shame. I sincerely hope that these charges will be thoroughly investigated and checked up, because it seems a pity that a force of men with such traditions should be exposed to such charges if they are not well founded.

Mr. VALLANCE: I made a few notes during the course of this discussion with regard to the mounted police, and I wish to associate myself with what has been said by the hon. member for St. Boniface. I have lived in western Canada for twenty-nine years; I know something of the operations of the old Royal Northwest Mounted Police, and the cause that suggested itself to me for these changes was the cause that has been suggested by the hon. member for St. Boniface. It must be the influence of eastern Canada, because with the exception of British Columbia we have had no complaints from those provinces where the old Royal Northwest Mounted Police were most active. It was with a great deal of disappointment that I listened to the charges that have been made. I hope the minister will investigate these matters in order to see if it is not possible to clear the name of that great body of police.

Mr. VENIOT: As a member from the east who has made charges against the Royal Canadian Mounted Police let me pay my tribute to the old force. I have not a word of criticism in regard to the old Royal Northwest Mounted Police; I only wish the spirit that actuated that old force was actuating the force at the present time, especially in the eastern part of Canada. I think the trouble is with the younger recruits, and let me say to my hon. friends from the west that when those recruits are taken into the force they are sent to Winnipeg for training, so perhaps it is the influence of the west that has led them into the wrong path on their return to the east. They are taken west for three or six months to be trained in the enforcement of law, but in spite of everything the force has been invaded by a certain number of unscrupulous individuals who are bringing dishonour upon the Royal Canadian Mounted Police. They are doing that down east, but they are not all eastern recruits; some of them come from the west, as my hon. friends know. Those of whom I have complained, however, are not from the west; I am sorry to say that they are maritime men, and they are not the type of men who should be in the mounted police. I do not want to name anyone here to-day, but I could sit down with the minister privately and give him the names and records of some of these men who are being protected by certain superior officers for reasons of their own.

Mr. REID: As a western member who has made certain charges I do not want anyone to think I am endeavouring to cast any slurs or any discredit on either the old or the present force. My complaint was with regard to the stool pigeons who have been operating in the province of British Columbia.

Mr. STEWART (Edmonton): I am not sure that this is the proper place to make the inquiry, but on a number of occasions I have discussed with the minister the question of a few very old mounted policemen who for some reason or other did not have their pensions increased when the general pensions were reviewed. I think there are not more than twelve or fifteen of these old pensioners, and I know this matter has been before the minister for some time.

Mr. GUTHRIE: It was there before my time.

Mr. STEWART (Edmonton): If I am not out of order I would ask the minister now if further consideration has been given their case.

Mr. GUTHRIE: There is an application up for consideration at the present time, and I believe similar applications have been made for the last fifteen years. The case they make out is that they were retired when pay and allowances were less than they were when the latest pension regulations were fixed, and consequently their pensions are based upon the pay and allowances which prevailed in their time. If they had been pensioned at a later date their pensions would have been larger. Up to the present time it has not been thought proper to grant their request. We can view it rather sympathetically, perhaps, because of the hard times and the smallness of their pensions, but I do not think they have made out a very strong case for an increase in that regard. They were pensioned according to the pay they received and according to the rates of pension at the time of their retirements. Could we justify an increase in the pension now by reason of the fact that subsequently pay was increased

and the amount contributed to the pension fund was greater than in former days? That is the case.

Mr. STEWART (Edmonton): My information may be at fault, but the complaint they make to me is that they have not received the same treatment that was accorded men who served perhaps not at exactly the same time or who were retired at the same time, but who subsequently had their pensions increased. The minister's statement is correct; they are receiving pensions comparable with the pay and allowances they received when on service. Their complaint was that others were no more entitled to increases than they were. In other words, they alleged discrimination.

Mr. GUTHRIE: I do not believe there is any ground for alleging discrimination, but if the hon. member wishes I shall bring the application here and let him read it. I think it is based solely upon the fact that at the time they were pensioned the pension rate was lower and the pay was lower. Subsequently the pay and the rates were increased, and they seem to feel they should be included in it.

Mr. STEWART (Edmonton): I do not wish to prolong the discussion but is it not a fact that other retirements at a later date have received consideration. Naturally when the pay and allowance were lower the pension would be lower. They complain that their application has not received any consideration.

Mr. GUTHRIE: I am not aware of that fact but I shall make inquiries. If the hon. member would mention the point when we are discussing estimates I would be glad to give him the information.

Sir EUGENE FISET: I think the minister is correct in his stand. If we deal with these fifteen cases in connection with the Royal Canadian Mounted Police we will have to deal with numerous cases in the permanent force. I believe the positions are exactly parallel. We cannot apply one principle to one force and not apply it to the other.

Mr. STEWART (Edmonton): I am not aware as to how far-reaching the application may be. Their contention was, briefly, that while others on a somewhat higher rate of pay had been given consideration, these fifteen cases had been refused. That is the statement which was given to me, and the one I have presented to the minister.

Mr. POULIOT: Before this discussion is terminated I should like to make a suggestion to the government. We learn from the press that the Royal Canadian Mounted Police will have new quarters involving high expenditures. What I cannot understand, sir, is why the servants are lodged before the masters. The masters are the judges of the Supreme Court of Canada who still have to sit in a former stable. It is a shame to give the judges of the supreme court such poor accommodation, while on the other hand we supply the Royal Canadian Mounted Police with a new building which will cost several millions of dollars.

Mr. McINTOSH: Where is it?

Mr. POULIOT: I do not know, but I have heard about it. I suggest to the government that before laying the foundations of a new building for the Royal Canadian Mounted Police there should be a new Supreme Court of Canada.

Mr. GUTHRIE: Hear, hear.

Mr. POULIOT: There should be a new building for the judges, and I am sure it would be proper for the Minister of Justice to lay the corner stone of that building, because from his experience as a jurist he is entitled to sit on the bench of the highest tribunal of this country.

An hon. MEMBER: Is that a prophecy?

Mr. POULIOT: No, but a suggestion made with the desire that the supreme court judges be given consideration by this government. The Prime Minister is a leading member of the bar. For some time he was president of the Canadian Bar Association, and has always mentioned—except in his new legislation—his high regard for the judiciary. It is probably because the Minister of Justice is the best candidate for the bench that the right hon. gentleman has him sitting to his right.

To conclude, it seems that the government puts la charrue devant les bœufs—the plough before the oxen, when they suggest that there should be a new building for the Royal Canadian Mounted Police before erecting a new supreme court building. Such action has been taken in the United States. This government lacks imagination; it should take this lesson from the great country to the south. A new and imposing building has been erected in Washington for the accommodation of the supreme court judges, and I believe that was a timely expenditure.

Then, further, before we spend money on a Royal Canadian Mounted Police building, the parliamentary library should be made

fire proof, a suggestion which has been offered often in this chamber. I cannot understand why the government does not pay more attention to the protection of the real treasures we have in our parliamentary library. I have had the use of the library for a number of years, and I have discovered valuable books which could not be replaced for any sum of money. The government knows that in 1848 the Quebec legislative buildings were destroyed by fire. At that time it was our only parliament—

Some hon. MEMBERS: Order.

Mr. POULIOT: Would it be impossible to do that work before building for the Royal Canadian Mounted police? This is the argument which exists—

The CHAIRMAN (Mr. Smith, Cumberland): I do not think the hon. member's remarks are relevant to the bill.

Mr. POULIOT: Is it not relevant to the bill to say that the master should be lodged before the servants, and that the quarters for the servants should be in the master's house? That is why I suggest there should be a new supreme court building before we build an imposing structure for the Royal Canadian Mounted Police. I make the same suggestion with regard to the library, and I hope no one in this government entertains the view of Caliph Omar who had the libraries of Alexandria burned, with the books therein, because he thought no one should read books. I do not recall this historical fact to hurt the feelings of my hon. friends in the far corner of the chamber.

Mr. GUTHRIE: Of course, a discussion of the building erected for the police is not included in this measure, I will tell the hon. member however that I am very much in accord with his observations, and I shall take good care to supply Hansard to my leader in order that he may read it.

Short title agreed to.

On section 1—Publication in Canada Gazette.

Mr. CASGRAIN: I notice that under section 1 the purpose is to repeal a section of the act. On the opposite page I find an explanation, and it is indicated that under the section as it stands at present the regulations made under this part shall be published in the Canada Gazette. I should like to have some explanation as to why the section should be repealed. In my view the publication of such regulations would seem to be important.

[Mr. Pouliot.]

Mr. GUTHRIE: It is purely a matter of convenience. I am not particularly concerned, but it has been represented to me that there are a great many minor details on which regulations are made, and which could be included in what are known as general orders issued from time to time and circulated among the members of the force. The former provision was that nearly all such regulations had to be published in the Canada Gazette. The proposal now is to allow publication of such details in general orders, so that they may be circulated in that way. These regulations refer almost exclusively to the internal management of the force, and I do not believe they are matters of public concern. However I am indifferent as to what happens to the section in the bill; it is recommended to me as a matter of convenience.

Mr. RALSTON: I would suggest the minister should not press it. It seems to me this is the only provision we have which permits the public to know about the regulations. My hon. friend will remember that the militia orders are published in the Canada Gazette.

Mr. GUTHRIE: I move that section 1 be stricken out.

Motion agreed to.

On section 2—Trial and punishment.

Mr. RALSTON: I should like to ask the minister if he has checked the lettering of the paragraphs referred to in subsection (5).

Mr. GUTHRIE: I think they are correct; (e) refers to the receiving of a gratuity or bribe; (i) refers to mutinous conduct.

Mr. RALSTON: I do not think that is applicable. That is my point. I think it should be (e), (j) and (k).

Mr. GUTHRIE: Yes, that is right, and I thank my hon. friend for drawing my attention to it. The paragraphs should be (e), (j) and (k), not (e), (i) and (j), Mr. Chairman, and I move that the section be amended accordingly.

Amendment agreed to.

Section as amended agreed to.

On section 3—Application of penalties.

Mr. RALSTON: I would suggest that the same change ought to be made in subsection 2 on the top of page 2 of the bill.

Mr. GUTHRIE: Yes. I move, Mr. Chairman, that the section be amended to read paragraphs (e), (j) and (k) instead of (e), (i) and (k).

Amendment agreed to.

Section as amended agreed to.

Mr. RALSTON: Would the minister allow sections 4, 5 and 6 to stand until we get the information in regard to expenditure?

Mr. GUTHRIE: I have no objection.

Mr. RALSTON: And section 7?

Mr. GUTHRIE: Is there any information required in connection with clause 7?

Mr. RALSTON: It is all with regard to pensions, and clause 7 fits in with clause 6; I am not sure but I think it does.

Mr. GUTHRIE: Then we will allow sections 4 to 7 inclusive to stand.

Sections 4 to 7 inclusive stand.

Sir EUGENE FISET: When the minister is furnishing the information that has been asked for, would he be kind enough also to give us a list of those who are drawing military pensions under subsection 9 of section 4? It reads:

> Time served with the military forces for which a pension has been granted under the provisions of the Militia Pension Act . . . shall not be included.

I take it for granted that these men are drawing their long service pension as well as the pay they are entitled to receive from the force.

Mr. GUTHRIE: I will get particulars of that also, Mr. Chairman.

Progress reported.

CANADIAN FARM LOAN ACT

AMENDMENT TO FACILITATE AND INCREASE THE EXTENSION OF CREDIT TO FARMERS

Hon. E. N. RHODES (Minister of Finance) moved the second reading of Bill No. 15, to amend the Canadian Farm Loan Act.

Motion agreed to, bill read the second time, and the house went into committee thereon, Mr. Smith (Cumberland) in the chair.

On the short title.

Mr. HANBURY: Mr. Chairman, when the resolution preceding this bill was before the house, from the acclaim with which it was accepted I was under the impression that I was attending a meeting of the farmers of Canada rather than a meeting of the House of Commons.

I should like to refer to some of the remarks that were made by the hon. member for Souris (Mr. Willis) who, if I remember correctly, complained about the difficulty in procuring loans. His complaint was, I think, that the officers of the board either were using too much discretion or that they did not have sufficient authority to loan money in certain areas in the district which he represented. Remarks from members on all sides of the house who supported the resolution on that occasion led me to believe that their impression was that these moneys were not so much to be loaned on an economic and sound basis as they were to be put into the hands of the farmers on a basis which was probably not sufficiently sound to encourage the investment of private capital. The hon. member for Souris in his remarks, critical I may say of the administration of the farm loan board, questioned their judgment, and my impression from the remarks of other hon. members was that probably it is more a question of government policy whether the farm loan board should loan money in certain areas and as to the conditions under which it should be loaned. I would like very much for the minister to state to the house as definitely as he can his opinion as to the soundness that is going to be required in the loaning of this money. In other words, are we through this measure going to give money where it is not always economically sound to loan it? Are we going to put it into the hands of the farmers of this country as a matter of national policy? While I quite agree that that might be a desirable policy I am not discussing that at the moment, but I think we should know at this time what the policy of the government is going to be and what instructions are to be given to the farm loan board. Are they to take into consideration the necessities of the situation in so far as the development of agriculture is concerned, or are they to be a farm loan board, and not a farm gift board? I would like the minister to give us some assurance of what we may expect in this regard.

Mr. RHODES: Mr. Chairman, the discussion when I moved the resolution and later in committee on the resolution itself covered a wide field, and I thought I had endeavoured to make it clear that the purpose of the board would be to deal with each individual case on its merits, the main purpose and

object being to assist preferably the deserving and worthy farmer; or I might make it stronger than that and say, the farmer who after having received a loan is likely to succeed upon the farm.

The criticism that my hon. friend referred to which came from the hon. member for Souris was applicable to the policy which had been pursued through the provincial board, and my hon. friend will bear in mind that hereafter there will be no provincial boards. But even in the case of the provincial boards, as I understand it there were no areas proscribed. Naturally one would think that a prudent man would scrutinize with extreme care an inquiry for a loan in an area where crop failure had covered a period of years. But I do think that there the long view would have to be taken, and that even in those areas where, covering a period of many years, there had been on the whole good crops, the man himself being a good farmer and a good moral risk, there would be no reason why in a case of that character there should not be a reasonable degree of latitude on the part of the farm loan board. In other words, it goes without saying that the first class risk, the highest class risk in the ordinary course of events would be taken care of either by individuals or by loan companies in the loaning business. It does not by any means follow that the government must be called upon to take second and third class risks, but I do say that the government would be justified, having in mind the desirability of assisting the farmer and keeping him on the land, in taking a wider measure of risk than would be taken in the case of an individual motivated solely by the desire to invest his money profitably. I do not know whether I have covered the question put by my hon. friend; if not, I shall be glad to endeavour to answer any supplementary questions which he might wish to ask.

Mr. HANBURY: I thank the minister for his remarks, and I think we are getting close to the point I wish to have covered. Before I make any further remarks however, I should like the minister to answer this question. Is it the policy of the government that all risks must in the past have been high class risks?

Mr. RHODES: I could not answer that by a direct yes or no. The farm loan board has been in operation a number of years and has endeavoured to conduct its operations prudently. In fact, the criticism has been that it has conducted its operations too prudently; we have heard such criticism in the course of this debate. If there is any criticism against the operations of the board it is that they have been too careful in their loaning operations.

Mr. HANBURY: I am rather anxious to have this point cleared up, because although the minister stated that the criticism of the hon. member for Souris was with reference to the provincial board, I have a distinct recollection that he did also make some reference to the board as it exists in Ottawa; and I believe he went so far as to suggest that there should be changes and removals. It is for that reason that I should like to have that point cleared up. The minister pointed out to us that in the loaning of money to high class risks, there was probably even to-day private money available for the purpose.

Mr. RHODES: For the highest class.

Mr. HANBURY: Yes; private capital is available for that to-day. Consequently, if for that highest class risk money is available, then the government will have for their loans the high class or the questionable risk, and I think all members should know definitely, what the policy of the government is to be. If we are making this a farm relief act we should know it; if it is a farm loan act we should know that also. Are we loaning money or relieving farmers? Are we going to make loans on high class risks or are we going to give the board instructions that now they may consider the questionable risk on the basis indicated by the minister, that the value of equity is not to be the only consideration? I think he is justified in taking that view. In the past we have prided ourselves on such a thing as a man establishing credit, and that is something which I think should exist in this measure. But it is absolutely important to the people of Canada to know how this board is going to function. Is it going to function as a distinctly farm loan board or are we to take the question of risks into consideration and to that extent have the act function as a farm relief measure?

Mr. RHODES: It goes without saying that when this act was passed four or five or six years ago the board was established not because the government desired to go into the money lending business but because there was felt to be a need at that time for this type of legislation. I pointed that out in my remarks during the discussion of the resolution.

Mr. GARLAND (Bow River): And because we have the balance of power.

Mr. RHODES: It is intended that the business should be conducted as a farm loan business and not as a relief undertaking. But at the same time, every hon. member knows quite well that the object in mind with the old government, as it is with this government and would be with any government, the main object in mind was to lend assistance to the agricultural interests who would be denied an opportunity of getting loans were it not for this act. The need has become greater during the last two or three years, for reasons which are obvious. I do not know that I can say anything more. I think the act will have to be administered with a reasonable degree of prudence, but no government would be wise to allow the board to operate in such a negligent way as to throw its money away. Care will have to be exercised; but having in mind the main object, namely, to assist the worthy farmer who is likely to succeed, certainly a reasonable degree of latitude ought to be allowed.

Mr. ROWE: The remarks of the hon. member for Vancouver Burrard (Mr. Hanbury) give rise to a point in regard to which there may be misapprehension as to the credit of the farmers themselves. Some of the statements made on the resolution before the house the other day, so far as Ontario is concerned at any rate, might seriously impair the chances of the farmers of even securing loans under the Canadian Farm Loan Act. I think much can be said in favour of taking into consideration the element of personal credit as well as that of land values, as mentioned. I agree with the hon. minister and appreciate the attitude he has taken. In Ontario we are in an even more difficult position than I indicated the other day—

Mr. HANBURY: Why bring that up?

Mr. ROWE: Well, the reason I bring it up is the fact that we have had in that province for a period of over twelve years what is known as the Ontario agricultural development board which I think all hon. members will agree has been functioning not especially with a view to relief but for the assistance of the farmers throughout that province during that time. When the government changed last June, as governments often do, we had 900 applications that had been passed, inspected and approved of by the board, mortgages prepared and in many cases registered. For months these farmers waited daily for their money and 500 more in respect of which inspection fees had been paid, many of the applicants not having had their fees refunded, daily expected results. But the practice of a policy covering a period of twelve years was immediately and completely reversed. I mention that fact at this stage as there might be some misapprehension with regard to the credit of the farmers of Ontario and the soundness of that policy as it had been carried out. I say this for the benefit of those who will be administering this act, so that the chances of the farmers of Ontario to secure loans under this legislation will not be too seriously impaired. Everyone will agree I think that when a policy has been in operation for twelve years, involving a sum of over $50,000,000, so far as farm mortgage loaning is concerned, it is almost entirely removed from private corporations or individuals. The farmers therefore have little recourse other than to apply to the government, which they have been doing.

The other day some statements were made that reflect upon the soundness of that policy and might have an adverse effect upon the continuance of loaning to the farmers. I did not interrupt the hon. member for Frontenac-Addington (Mr. Campbell) when he was speaking as there is a time-honoured custom that when an hon. member is making his maiden speech, no matter what ridiculous statements he may make or how excited he may get, we should not interrupt. He made a very spectacular statement; he said:

> I want to make it clear to all hon. members that prior to the month of May the interest rate on farm loan mortgages in Ontario stood at six per cent. During the election campaign, in which I had the privilege of taking an active interest—

We are quite aware of that.

> —it was announced that that rate would be lowered to five and a half per cent and it was cut to five per cent during the heat of the election.

As a matter of fact, I might inform the hon. member for Frontenac-Addington in all kindness, while his speech was fine in form, it was somewhat ridiculous in fact. The interest rate on loans in Ontario has not been six per cent for almost ten years. Some years ago the late Ferguson government reduced the rate from six to five and a half per cent. During the last session of the Ontario legislature the matter was discussed and debated there on several occasions and prior to the last election the rate was reduced from five and a half to five per cent. Before the heat of the election, as spoken of by

the hon. member, the rate was reduced and became effective at five per cent, as every hon. member from Ontario knows, weeks before the election. In the heat of the election I think it was stated that if the then government were returned, they would reduce the interest rate to a lower figure. Since that time another government has been in power and immediately on assuming office it discontinued that policy entirely. The fourteen hundred farmers to whom I have referred waited daily for some relief, some assurance, something definite to know whether they would be compelled to go to private individuals or mortgage companies in order to secure the money for which they had applied and to accept the loans in connection with which inspections had been made and which the old board had passed.

I do not wish to delay the committee on this bill, but the hon. member for Frontenac-Addington further stated:

When the new provincial government took office they made an investigation to find out just how the agricultural development board stood, and they discovered that some $55,000,000 of the people's money had been loaned throughout Ontario. One unfortunate experience was that many loans had been made, not for the purpose of allowing a farmer to permit his son to purchase a farm and some new stock and start up in business, or for the farmer to improve his farm, by building a new barn or house, but rather at the instance of influential people, supporters of the late government.

I doubt if there is an hon. member from Ontario who can give one instance where political influence had any bearing. He says further:

That is a serious statement to make.

It is a serious statement to make when he follows it with the further statement that the provincial government have been making loans since. He stated that in November of last year some seventy-two loans were made, amounting to about $140,000. I challenge him to show a single loan that has been made on the initiative of the provincial government, and rather than boasting of the seventy-two loans that he says were made, he should apologize because there are only seventy-two out of one thousand four hundred, nine hundred of which were approved by the board. There are still more than eight hundred farmers whose loans have been approved and who are still waiting for some advance.

The hon. member for West Elgin also made his maiden effort and I did not wish to interrupt him, but his statements were no less

[Mr. Rowe.]

reckless, though his speech was not quite so long as that of the hon. member for Frontenac-Addington. He said:

In reference to that board, what were the conditions the present government found when they assumed office? They found stacks of applications that had been passed by the Henry government.

This statement is rather conspicuous merely as an insinuation that he had some inside information and it was due to political influence they had been passing the loans. As regards that feature of the matter I wish to point out to the committee that I have secured the last report of the Ontario agricultural development board and the ridiculousness of these statements is shown by the fact that in 1933, the previous year, that board had made seven hundred and forty-two fewer loans than they did in 1932, and for the first eight months of 1934 they loaned $1,600,000 less than they did in 1933, so that the loans that were being made in Ontario were evidently being lessened every year.

Much has been said with reference to the maladministration of the Ontario agricultural development board as an excuse for not helping the farmer, but may I point out that while it has been said that this board has been recklessly handled, they had a surplus in administration costs and carrying charges of $769,458.67, as shown in the report to which I refer. I have failed to see why we should apologize for the actions of the former provincial government in that regard. It was further pointed out by the hon. member for West Elgin (Mr. Mills) that 18,000 Ontario farmers, who were evidently friends of the government, had been loaned $51,000,000 and that if those loans were liquidated to-day, they would not be worth $15,000,000. This is a point I wish to emphasize because it reflects upon the credit of the farmers of Ontario, and upon the soundness of their land holdings and it might impair the possibility of their securing loans from the duly established board under the amended act that is now before the house. I think every hon. member will agree that the statement made by my hon. friend is a ridiculous one. I ask, in all kindness to him as a new member, how he ever reached that figure. There is another time-honoured custom in this house that a member should be careful not to make statements without giving them sound thought and preparation. I see some hon. members smile and after listening to him yesterday I think I know why. If one made throughout Ontario the inspection that would be necessary to be able to make that type of statement, I will leave

it to any hon. member if he would consider that a reasonable assumption, because it is a most ridiculous one. In the first place the Ontario agricultural development board's policy has been for twelve years not to loan more than fifty per cent of the farm value. It is very true, with arrears of interest, that might in years such as those through which we have passed, accumulate an obligation more than fifty per cent. The value in many cases was the value before the war, because inflated values of war time were not taken into very much account by the average inspector. In my local district as in many other parts of Ontario one hundred acre farms were valued at from $8,000 to $12,000 long before the great war. These 18,000 loans in Ontario average only $2,200 each. In exceptional circumstances they might be as high as $4,000. If this is a reasonable assumption then the insinuation seems to be that farms that were originally worth $8,000 in Ontario are to-day only worth $1,800, and farms formerly worth $4,500 are now assumed to be worth $900, and farms formerly worth $2,000 the newly elected hon. member would say are worth only $450. I wish to impress on the committee that the soundness of Ontario farm values is not so badly impaired as is suggested. If $36,000,000 of the $51,000,000 that has been loaned will be lost, as suggested, then it would be our duty not to support the second reading of this bill. In that case our agricultural situation would be next to hopeless. I do not know why that statement should be made other than to justify those who have neglected, inexcusably neglected their obligation at a time that has been very critical for the farmers of Ontario. The policy of securing money from the board has been established and now when appeal is made to private individuals applicants are asked why they do not get it from the government.

I make this statement in an endeavour to show as clearly as I can a true picture of the farm loan situation in Ontario. I wish to urge upon the minister on behalf not only of the farmers of Ontario but those of every part of the country that he should secure money for the farmers, as I feel satisfied he will, at the lowest possible interest rate. I know every hon. member who is interested in agriculture, as we all are, appreciates the fact that the farmers have had a difficult time in recent years and that the prices of many things they have had to buy have not fallen to the same degree as the prices of what they produce, so I think it is necessary for the economic soundness of the country that we should have as low a rate of interest as it is possible for the government to give in view of the cost of long term bonds, their carrying charges and the necessary reserves.

In Ontario our situation is a little different, for we have never had the Canadian Farm Loan Act in operation in Ontario. Whether it was owing to the struggle for power or for whatever reason, all parties in Ontario said they were in favour of lower interest rates. The Minister of Agriculture in Ontario not long ago stated emphatically that no matter what rate this government charged under this new Farm Loan Act, the farmers of Ontario will not have to pay more than four per cent, and the balance, if any, will be paid by the province.

An hon. MEMBER: Hear, hear.

Mr. ROWE: I hear an hon. member say "Hear, hear," and I am quite in agreement with him; and I am very glad that the farmers of Ontario will in no event have to pay more than four per cent in the future. May I also remind the committee that Ontario has given loans at one per cent less than the Dominion board for some time, and that is all the more justification for the remarks I have made as to the soundness of Ontario agriculture. I have heard the former Minister of Agriculture (Mr. Motherwell) in this house and others say that the risks in Ontario have not been as great as in some other provinces, and probably that is the reason why when the late government was in power and since the Canadian Farm Loan Act was put into effect in 1927, farmers in Ontario enjoyed this one per cent advantage. The Ontario agricultural development board were making loans in Ontario at one per cent less at all times than the dominion government, and for a short time one and a half per cent less. So even if the rate in the future should be left at five per cent the Ontario farmers will still enjoy a one per cent advantage, according to the statement made by the present government of Ontario. I have not too much faith in that government but I must commend them for that statement; I hope they will keep their word. So, whether or not this government see fit to lower their rate below four per cent, which I doubt is possible, I am not particularly concerned about their action as to the rate of interest, because it is not a question of what the farmer in Ontario will have to pay, it is a question of who will have to pay the difference.

I do not wish to keep the committee longer, except to say that I think the farmers of Ontario during the last three or four years have shown what they can accomplish and to emphasize the fact to which I have already

referred that loans have not been increasing as hon. members have said, for we had 742 less in 1933 than in 1932, and they loaned $1,600,000 less in the first eight months of 1934, although that was prior to an election. Therefore I think it is impossible for anyone to claim that loans were made for political purposes, or to doubt the soundness of the agricultural situation in Ontario which by all the signs of the times is at least slightly and gradually improving.

Mr. GERSHAW: The point I wish to bring to the attention of the minister has already been mentioned. It is this, that up to the present there certainly have been areas absolutely excluded from any benefit of the farm loan board. The area in which I live is one of them. When a farmer applies to that board for a loan he is told that no loans are being considered in that whole district. They do not ask him what his prospects are, or his assets, or inquire into his ability or anything. I have many letters to that effect. I should like the minister to give us some assurance that these individual cases will be decided on their merits rather than all come under one general rule.

Mr. RHODES: I have on a number of occasions endeavoured to make it very clear that each case would be considered on its individual merits, irrespective of the location of the area. It may be that the hon. member was not in the house on those occasions, and I am very happy indeed to repeat that assurance to him.

Mr. BROWN: I am glad that the finance minister has made that statement so clearly and frequently; I think it ought to have been impressed on the house by this time, that in future loans will be considered on their merits. I listened with much interest to the speech of the hon. member for Souris (Mr. Willis), I do not always agree with him but I felt on that occasion that he was stating a very real grievance. The hon. member for Souris represents a district in Manitoba which more than any other perhaps has suffered from the drought. He pointed out, very correctly, that in that district there are large areas which in the past have produced enormous wealth, districts where they have the finest equipment and buildings, and there is no reason why many of those men should be refused a loan. I had a similar grievance, for the matter was brought to my attention that loans were being refused in what was spoken of as the dried-out area. I made a protest myself to the Manitoba authorities and also to the dominion head office, and I got word from Doctor MacLean that it was not the policy of the central office to rule out the dried-out areas altogether, but rather that cases would be considered on their individual merits. I would like to point out and emphasize the fact that while some of these districts, including part of my own territory, have suffered from drought for the last two years, that is one of the very finest countries under the sun. There is no reason why there should be any discrimination against a section of the country because, for a period of two or three years, there has been drought in that district. There are men with well established and well equipped farms who need just a little help to tide them over. We have all confidence in that country; we believe rain will come again, and that is all we need in order to produce a large amount of wealth in the future. So I say again that I am glad the minister has made the statement that each case will be decided upon its own merits.

Mr. COOTE: I was very glad to hear the statement of the minister in regard to the point raised by the hon. member for Medicine Hat. Undoubtedly in the past some of the provincial boards have taken the attitude that they would not consider applications from certain areas. I have gone into those areas and found farmers making a decided success. It is true that they were living in so called drought areas, which had been abandoned by a good many farmers, but these men knew how to make a living there; they were making good, and I think in many cases were catching up with their liabilities. So it seemed to me a wrong attitude on the part of a provincial board to practically tell a man that he lived in an area from which they would not even consider applications for loans.

I just want to add at this time, taking into consideration the condition of agriculture and the terrible time it has gone through, the government should make provision for the granting of credit under the farm loan board at a rate of four per cent, with any cost above that assumed by the Dominion of Canada. I am not sure, but perhaps the hon. member for Vancouver-Burrard will object to that. A few moments ago he spoke of first class farm loans, but many loans that were considered first class a few years ago now are far from that. That is due to conditions altogether beyond the control of the farmers. The reason for this condition has been the drop in the price level of the things the farmer produces. It might be

worth while telling this committee once more the drop that has taken place in the cash income of the farmers of Canada. These figures were given in connection with a chart that recently appeared in the monthly letter of one of our Canadian banks. In 1926 the cash income of the farmers of Canada was $941,000,000. In 1932 it had fallen to $396,000,000, which was only 42 per cent of the 1926 income. It is quite evident that interest could not be paid out of a net income that had been reduced to that extent. In 1928 the income was $1,113,000,000, so there was a drop from 1928 to 1932 of 64 per cent, or in other words the cash income of the farmers of Canada in 1932 was only 36 per cent of the income in 1928.

In reality the solution of the farm credit problem is to restore the price level of farm products. No matter what we may do for the farmers in the way of credit facilities, if we do not do something to raise the price level of farm products we cannot get a satisfactory credit system. At the present time the price level is improving, but as yet it is not at a point which will allow the farmers to carry their present burden of indebtedness. The loan value of our farms is largely determined by the rate of interest charged on farm loans, as the amount of loan that a farm can carry and pay interest on is determined as much by the rate of interest as by the size of the loan. I believe the rate of interest is the important thing for us to consider in connection with this act, and without taking up more of the time of the committee I want to urge on the minister that the government assume any necessary costs of administration and so forth, so that loans may be made under this act at a rate of not more than four per cent per annum.

Mr. GOBEIL: When the resolution which preceded this bill was under consideration the other evening the hon. member for Laprairie-Napierville (Mr. Dupuis) is reported as having said:

> I have tried to find a reason why the government is bringing down this legislation at this late hour. I have asked myself: Is it because they have tried that other legislation called the Farmers' Creditors Arrangement Act which they passed last year, and which as a matter of fact has completely destroyed the credit of the farmer of eastern Canada?

I am reported as having said:

> It was all destroyed before that law was passed.

I do not rise to withdraw a single word of that affirmation, but it certainly calls for some explanation which I could not give on that occasion. In the past, and even to-day, the farming population of Quebec have had the best credit of the whole community. They were considered, as I am sure they are considered to-day, honest as a class. There are exceptions in all classes, but I think they had and still have the reputation of being first class credit risks.

When I made that declaration I wanted to point out that the act referred to by the hon. member had not destroyed the credit of the farmer, but that his credit had been destroyed, so far as that could be done legally, by previous measures passed by the provincial government of Quebec. One of the causes of the impairment of the farmers' credit is the number of preferred debts that in Quebec have precedence over the first mortgage. Being an ordinary layman I cannot speak as a lawyer, but I am told by persons who should know that we have almost twice as many of these preferred debts as any other province in Canada. I should like to enumerate some of them. First there are the legal costs. I suppose they are preferred in every province, but I should like to point out that in Quebec they are certainly not lower and I think probably they are higher than in any other province of the dominion. Funeral costs are preferred before the first mortgage is paid, together with the expenses of the last sickness, and the cost of ploughing and seeding for the current or the last season. Then, it is only fair that the taxes should be paid. The cost of labour, material and the bill of the contractor for any buildings erected on the property or on the farm are paid before the first mortgage is considered and the wages of servants are paid. As hon. members will see, this is a long list of preferred bills which in many cases may take up half the value of the mortgaged property. In this way the credit of the farmer is further decreased. In making these observations I am not being critical; I do not say the measures are no good or do not serve any useful purpose. I simply wish to establish my contention that even before the act to which reference has been made was passed the credit of the farmer was destroyed beyond repair. Certainly his credit was very much decreased when the moratorium on mortgages was passed tow or three years ago by the legislature of the province of Quebec. It was further decreased when legislation was passed exempting from seizure certain stock, implements and cattle—going as high as ten cows—a team of horses and a complete stock of farm implements. I am not criticizing this law, but I do say it had the effect of decreasing or impairing the farmer's credit, when the lending

party was considering lending money on first mortgage. The moratorium is still in effect in the province of Quebec; if interest and taxes are paid, no mortgage can be collected.

Then, there is a further factor which has had something to do with impairing the credit of the farmers, namely the privileges given to different firms selling on terms. As a layman I thought this matter was within the competence of the federal parliament, but after consulting able lawyers I was told it was a matter which had to do with civil rights, and that there could be no doubt where the jurisdiction rested. In my opinion in the last few years probably more than at any other time these privileges have done a great deal to destroy the credit of the farmer. In the province of Quebec companies selling on terms have the privilege of remaining the owners of the property sold. I do not complain about that, but when a purchaser defaults on one or more payments the selling company has the privilege of taking possession of the property. Again I do not find fault. The fault I find is this: The company repossess the article in question, whether it be an automobile or something else, and may proceed to make repairs which cost anywhere from $300 to $500. Then they sall the repossessed article for whatever figure they can get, provided the original purchaser is in fairly good financial condition, although possibly not able to make his payments. Having sold the article they may claim the balance from the original owner. In my opinion this process more than any other factor has been responsible for the impairment of the credit of the farmers. Hon. members are familiar with the tactics of what we term high pressure salesmen, and we realize that the poor farmer who is not accustomed to discussions and arguments is not proof against the sales talk. The salesman ascertains before he visits the farmer if the person he is visiting is financially responsible. In many cases these salesmen have sold to farmers against their will and against their own interests. Hon. members know how many farm implements, sewing machines and automobiles have been sold to farmers who, when the agent visited them for the first time, had no intention of buying. I say such companies should have to make a choice, when they repossess an article—

The CHAIRMAN (Mr. Stanley): The hon. member must confine his observations to a discussion of farm loans.

Mr. GOBEIL: I was answering the hon. member for Laprairie-Napierville. However, I have completed my observations on this point. The company should either repossess the article and give a full receipt, or they should collect and not repossess. My point is—and this may not be in order, either, although it was discussed by the hon. member for Laprairie-Napierville—that the present measure does not destroy the credit of the farmer, but will serve to reestablish it, to put him on his feet and in a position where he may buy something, because the man from whom he may buy will know he has been reinstated and his financial position is sounder than it had been previously. I believe the legislation will do a great deal towards putting the farmer on his feet.

Mr. YOUNG: Mr. Chairman, I am afraid I cannot congratulate the minister upon this legislation. Like the unemployment insurance bill and most of the social legislation we hear so much about nowadays, it will have the effect only of raising the hopes of the needy and then dashing them to the ground. The farm loan act was first passed in 1927, and $15,000,000 was placed at its disposal. In seven years of operation the board had loaned only $9,000,000. Last year the amount available to the board was increased to $40,000,000, and I believe at this time they have loaned out $15,000,000. Now we propose to increase the amount available to $90,000,000, and I venture to say when we come back next year less than half of it will have been loaned. It is not the amount of money you have to lend that counts, but the amount that you are willing to lend. How are the loans to be made? On appraisal. Very well, but who is going to benefit by it? Only the very best and the very worst farmers. The farmer who is in such good shape that his debts do not amount to very much will have no trouble in going to the board and getting money at five per cent with which to pay off the debts on which he is now paying seven or eight per cent. In that way they skim off the cream of the mortgage business. On the other hand, the farmer who is in such desperate shape that his creditors have no hope of getting anything out of him anyway will be able to go to his creditors and make this kind of compromise with them. They will say: We will give you a clear receipt for whatever amount you can get out of the farm loan board. They will use every influence they can to get all they can out of the board so that they can get that much of what is owing to them, and then they will leave the board to deal with the worst class of farmers.

Mr. GARLAND (Bow River): Why do you call them the worst class of farmers? I know thousands in that situation who are not the worst class of farmers.

Mr. YOUNG: Just wait until you hear what I am going to say. The great bulk of the farmers in this country, those who are not in desperate need but who have a chance to make good if they can get sufficient money to allow them to be clear of their other creditors, will not be able to borrow sufficient from the board under this act to enable them to get clear. Being unable to give a first mortgage on their property they will not be able to come under the act at all. So I am afraid, Mr. Chairman, that the act is not going to be of very much benefit to the farmers who are deserving and really need the benefit of its provisions.

Mr. LUCHKOVICH: I was interested in the remark of the last speaker, that only the best and the worst farmers will benefit by this legislation. Some time ago I asked the Minister of Finance a question which he thought was a hypothetical one. Even if it were, that is the only way we have of eliciting information at this time. But it was not a hypothetical question, because the case is well known to me of a farmer owning two quarter sections, with about 125 acres under cultivation, and his arrears of taxes amounted to about only $130. This man tried to get a loan and he was told by the board that if his debts were not $1,000 or over he could not get a loan. The question has been asked here to-day whether this is a farm relief act or a farm loan act. I do not know whether it is so that the best class of farmer is going to get a loan under this act, because this farmer I have in mind is one of that class, and he was unable to get a loan. There is a clause in the act which provides that loans are to be made to farmers in good standing. I should like to know whether it is the farmer in good standing or the farmer in desperate straits who is going to get a loan, and so far I have been unable to find out.

Mr. RHODES: Mr. Chairman, if my hon. friend will be good enough to let me have in confidence the name of the farmer and the locality it will enable me to make inquiry into the case he mentioned, and I shall make it my business to do so. Otherwise I shall not be in a position to give him an answer with respect to that specific case.

One assumes that all farmers, even those in the highest class of risk, are in need, otherwise they would not seek a loan. It is only a question of degree as to how badly they need it, and we cannot refine language in this committee and classify cases. I can only go back to my original statement, which I have made so many times, and say that each individual case must be decided on its individual merits.

Mr. SPENCER: I should like to support the statement made by the hon. member for Vegreville on behalf of men who I think should be able to get loans but who have been turned down. I have in mind an old man who has a good farm. He put his boys on it and went himself to the city to give his younger children a better education. He bought a house in the city with a mortgage on it, but on account of the serious conditions of the times he is not able to get sufficient return from his farm to pay off the interest on the mortgage or even to pay his taxes. He made application for a loan but was turned down, on the ground I suppose that he was not living on the farm. This man has lived on the farm for fifty years, and has made good on it up to recent years. He is really a farmer. The farm is his only means of getting a living, but his application was turned down because he was not actually living on the farm, I suppose, although his boys are there. I hope the new act will have a clause that will enable such men, even if they are not living on the farm, to get a loan when they are really dependent on the farm. This man is over seventy years of age. He is not in a position to get an old age pension because of his farm, and for the same reason he cannot go on relief, nor can he get relief from the farm loan board.

Mr. STEWART (Edmonton): Last year when we were discussing the debt adjustment act we were given the assurance that in many cases where debts were composed there was a strong probability of the debtor being able to rearrange his mortgage indebtedness and thereby be in a position in somes cases to pay off the total of his indebtedness by a new loan secured from the farm loan board. I think I am safe in making the assertion that with at least eighty per cent of our farmers to-day the difficulty is not so much with their floating indebtedness, although that is an important factor, as with the accumulated arrears of interest that are added to the principal of his loan. I must frankly admit that the accumulation of interest added to the

principal makes the total indebtedness in many cases beyond the actual selling value of the farm at to-day's prices, and the result was of course that no relief could be afforded in such cases by the farm loan board.

I am well aware, too, that the object of the farm loan board at its inception was not so much to lend large sums of money, not even up to the maximum, as to give the small farmer, the one who perhaps had the most difficulty in securing a loan, the opportunity to secure a very moderate loan. I think that policy was fairly well carried out. I believe also that the board did discriminate to some extent where larger loans were required. I am not speaking of loans up to the maximum. But this situation has arisen—I will give a hypothetical case. A debtor makes application to the registrar and gets a substantial reduction in his floating indebtedness, but when it comes to a question of adjustment with the company which holds the mortgage on present day values, there is great reluctance on the part of the farm loan board to lend the money. I am not criticizing that attitude. I admit that if the farm were sold at present day prices it would not perhaps bring the mortgage indebtedness accrued against it. But that resulted in a sort of impasse in our province in which the mortgage companies took the ground that they were not forced to compose the indebtedness unless they were to be paid off. I want to convey to the minister the difficulty of this situation. It usually meant that that loan was not settled but remained in abeyance. What I want to know is this. Have the debt adjustment board authority to force the mortgage company to take a reduction of their loan unless they are in a position to liquidate that loan and pay it off in cash? And even if they are in a position to do so, have the board authority to reduce the indebtedness of the mortgage and accrued interest?

Mr. RHODES: The discussion has taken a very wide field, though I do not complain of that. But the question just put by my hon. friend is one that would more properly come up when we are discussing the Farmers' Creditors Arrangement Act. I do not want the hon. gentleman to infer from what I now say that I have no wish to reply to him, but I should not like the scope of this discussion in committee on this bill enlarged to take in the other act, having the whole discussion duplicated on that bill. I shall be happy to give the information, especially as it gives me this opportunity to say that a considerable proportion of the difficulty of which he spoke, in the first instance which he gave, will be obviated by the operation of the Farmers' Creditors Arrangement Act.

Mr. STEWART (Edmonton): Obviated?

Mr. RHODES: Yes, obviated. As a matter of fact we have had under that act numerous settlements which have had the effect of compressing the total indebtedness of the farmer to a very marked extent, and I am very happy to say that while there will be and there are cases where fresh money will be required and possibly, in order to effect a settlement, composing the whole situation for the farmer, there may be instances where the mortgage may have to be taken over. But on the whole there has been a very large percentage of settlements made which have not required new money to be provided by way of farm loans. But in some instances I have in mind fresh capital has been supplied—sometimes by the creditors and in other instances by the vendor of the land, who has been only partially paid. That, however, is by the way; I do not wish to enlarge the discussion on that point at the present moment inasmuch as we shall discuss that phase of the subject under the Farmers' Creditors Arrangement Act. But answering specifically the latter question of the hon. gentleman, it is entirely within the jurisdiction of the board of review under the Farmers' Creditors Arrangement Act to make a binding settlement, which would involve, if in the judgment of that board it were wise to do so, a reduction either of principal or of interest or both.

Mr. GIROUARD: The minister says that the board of review has the right to make a binding settlement. When that settlement is made for cash, is there anything in the Canadian Farm Loan Act which obliges the commission to loan according to the binding settlement made?

Mr. RHODES: No.

Mr. GOLDING: I do not want to follow the example set by my hon. friend from Dufferin-Simcoe and bring into this discussion provincial questions and provincial affairs. I think every hon. member from Ontario will agree with me that such a discussion is as useless as it is unwise. The detail in connection with agricultural development loans in the province of Ontario will be discussed at the proper time and in the proper place, and I think that we ought to follow the suggestion made by our good friend the minister and by the chairman and discuss the questions that are immediately under review.

Mr. BURY: I do not notice in the bill any section under which it is proposed to widen the scope of the act in the definition of those who have a right to make application for a loan. I brought to the attention of the minister, at the time we were discussing the resolution, the case of a man who was either managing his farm while he resided off it, or had rented his farm, or had sold it. I gave the instance of a farmer who had a section farm within three miles of a railway station, within one mile of an elevator, with 475 acres broken, a good house and the farm all fenced; and yet he was unable to get a $3,500 loan on that farm simply because he was not living on it. What I wish to urge on the minister is that the definition of "farmer" should be widened and that there should be brought under the scope of the act men who are not necessarily on the farm, men who are managing their farms through employees while they themselves live in the city. In point of fact, this particular man to whom I refer, who has farmed for forty-seven years, is now paralyzed and has to live in the city. I do not see why as good security cannot be given the farm loan board by a farmer who owns a farm of that kind, who is either farming it through an agent or employee while he lives away from it, or has rented it or even sold it, provided he has a sufficiently large equity and the title is still in his own name. Surely ample security can be given to the farm loan board in a case of that kind. Take the man to whom I have referred. His whole livelihood is derived from that farm, and if it has not already been sold for taxes, it is in danger of being so disposed of. And yet the man can get no relief. The point I am urging on the government is the widening of the definition of "farmer" to include men of that class.

Mr. RHODES: I need hardly point out to my hon. friend that it would be impossible so to frame a definition as to include what will inevitably occur in any law of general application, namely, borderline cases. I need not say to him that to legislate for particular cases is poor law. The definition as contained in this act may not be the correct one. I expressed the other day my view in passing, not having at the time given the matter as much thought as I have since done, that it might be the part of wisdom to use the same definition as that which is used in the Farmers' Creditors Arrangement Act. As a matter of fact, while the definition as contained in the present farm loan act would appear to be perhaps more restrictive in terms, it will be found in the interpretation clause of the original act:

> "Farmer" means any person whose business is that of farming and who owns and occupies a farm, or who proposes to acquire a farm for immediate occupation and cultivation by him.

The question as to how restrictive that definition is will be determined by the manner in which the word "occupies" is interpreted. As a matter of fact the regulations which have been in force under the existing farm loan act are as follows under the heading Eligibility of Applicants for Loans:

> 17. In determining the question as to whether or not an applicant is a farmer, the determining factor shall be whether or not farming is his principal occupation. If it is not, the applicant shall not be eligible for a loan.
>
> 18. In determining whether the applicant for a loan is actually engaged in the cultivation of the land offered as security for loan, it will be held that he is if he cultivates his land with his own or with hired labour.

I am informed by the farm loan board that in actual practice the word "occupation" has not been construed to mean that the farmer must actually live in residence upon the land in question; that a distinction has been made between "residence" and "occupation," and that as a matter of fact in individual cases loans have been made to farmers whom the board regard as being bona fide upon a piece of land which they construe as being occcupied in a sufficient sense to enable the farmer to qualify for a loan under the farm loan act. Whether that be a proper interpretation of this section or not, I do not profess to be in a position to give an opinion. There are in the committee many hon. gentlemen who have wide legal experience and whose opinion in that respect would be better than mine. But the farm loan board has so construed the word "occupies" as to enable that class of man to qualify for a loan. They have however made a distinct line of demarcation in the case of tenant farmers; they have refused to make loans to them in all cases. I am in the judgment of the committee; when we come to the section in question, if it is thought wise, I am quite content that the definition we use in the Farmers' Creditors Arrangement Act shall be substituted for the definition we have in this one.

Mr. COOTE: Will the minister kindly read the definition?

Mr. RHODES: I read it the other day. It is:

"Farmer" means a person whose principal occupation consists in farming or the tillage of the soil.

Mr. GEARY: Is that the regulation?

Mr. RHODES: No, it is the definition of "farmer" as contained in the Farmers' Creditors Arrangement Act. I stated, when discussing the resolution on a previous occasion that perhaps that was a wider definition and, if the committee thought wise, I would be content to take that definition and use it in the farm loan act.

Mr. BURY: Is that the whole of the definition?

Mr. RHODES: Yes. It would appear to me that that would be capable of a wider interpretation than the section as it now exists in the farm loan act, because there certainly is implied at all events some limitation in that definition which it would not appear to me attaches to the definition I have just read.

Mr. SPENCER: If we did make that change, could a farmer, not living on his farm but farming it, get a loan?

Mr. RHODES: Perhaps my hon. friend did not hear me. I said that there are cases where loans have been actually made to persons not actually living on the farm but tilling the soil and farming that piece of land, that being their principal occupation.

Mr. BURY: I understand from the minister that no loan is given to a tenant farmer. If no loan is given to a tenant farmer, why may not a loan be given to the registered owner of the farm, who has the fee simple, the rent and the reversion? Surely somebody who has the major interest in the land can get a loan.

Mr. BRADETTE: I hope the minister will give a wider interpretation to the word "farmer." I have in mind more particularly the settlers in the fine rural sections of northern Ontario. They are under the impression that under the interpretation of this act they are not included as farmers. There are thousands of northen Ontario settlers who do not come under the present definition and I believe this act should apply to at least a certain number of them. It is true the land does not belong to them; it is true the title still is vested in the crown. That being crown property, the central government could get a first mortgage on it. The fact remains that in our section—and I believe the same applies also to northern Quebec and certain districts of the western provinces—a number of settlers cannot graduate from the settler into the farmer class because they have not sufficient money to buy stock and cattle or own sufficient buildings to get their deeds from the province. During the last two years at least I have received hundreds of letters from good bona fide settlers in northern Ontario stating that they regret the fact that they cannot come under this legislation. This is an injustice because this is one of the finest sections of the rural population in the whole country. On a previous occasion I made a very urgent plea to the government to try to include in the word "farmer" or "farming" the settlers of northern Ontario.

A certain quantity of land has been given to settlers in our sections, but for the last six or seven years such loans have not been given as liberally as in the past. If I interpret aright what the minister said a few days ago, it was that this was intended really to help agriculture; that it was the wish of the government that as much money as possible, within reason and in accordance with the laws of economy, should be loaned to the farmers, and surely this should include the settlers of northern Ontario and Quebec who are doing pioneer work in the newer parts of the country.

There are not hundreds but thousands of families who find it impossible to graduate from the settler into the farmer class for the simple reason that they lack not thousands of dollars but only a few hundred dollars. I think very few will be found who will ask more than a maximum of a thousand dollars. In my constituency we have studied this measure very thoroughly; we have held meetings to consider it, but so far we find in it no provision for the settlers of northern Ontario, and I trust the minister will find it possible to include them.

I listened with a good deal of attention to previous speakers who referred to people not actually occupying their farms. I am not in sympathy with the man who has a farm as a hobby or one who is a gentleman farmer to the extent of suggesting he should receive the same attention as the actual tiller of the soil, but I am in sympathy with the settlers who are trying to make a living off the land. I have no advice to give the government as regards the man running a farm as a hobby, but there may be special cases where through infirmity a real farmer is unable to manage his farm himself, and in such a case this act should apply. Speaking generally, unless a man actually resides on his farm I do not believe he should be entitled to any loan from

any government. Having been a settler myself in northern Ontario, however, I feel that something must be done for that fine class of people who graduate from the settler to the farmer class.

Mr. RHODES: My hon. friend is making a worthy plea for a very worthy class of citizens, but he must bear in mind that we are not dealing with a colonization scheme or a scheme of assistance to colonization. That is not the purpose of this measure, worthy as that purpose may be. Its purpose is to assist farmers, and the moment any individual of whom my hon. friend has spoken can qualify as a farmer there is nothing to prevent him, other things being in order, from securing a loan from the farm loan board.

Mr. BRADETTE: I appreciate the point the minister makes, but would he be good enough to indicate to the committee the line of demarcation between a farmer and a settler? This is a very important question. In our section we call a man in a colonization section settled on a new holding a farmer, although we all know the land belongs to the crown. The acreage at present on each farm is ninety acres, and the settler has to clear at least ten acres and have a dwelling house and stable or barn before he can get a deed. In hundreds in my own district the people are ready to get their deeds; they have cleared the land and wish to put up a better dwelling, but they have not the capital to do so, and I believe that is where the government should come in. I appreciate what the minister says, that this is not a colonization scheme, but I am speaking of farmers. Only five per cent of these people have graduated from the settler class to the class of farmers, for the reasons I have stated, if it means getting their deed. Will the minister enlighten the committee as to the line of demarcation between settlers and farmers, and whether a farmer actually living on the land will be able to benefit under this act?

Mr. RHODES: No, Mr. Chairman; if I wanted to get a definition of a farmer I fancy I would have to apply to the Department of Justice. Parliament has said what a farmer is as far as the Canadian Farm Loan Act is concerned. If my hon. friend will look at the definition of "farmer he will find that—

> "Farmer" means any person whose business is that of farming and who owns and occupies a farm, or who proposes to acquire a farm for immediate occupation and cultivation by him.

My hon. friend is just as capable of putting an interpretation on that as I am. Neither of us is any further ahead, because the act is administered by the farm loan board and they must be the judges as to whether an applicant comes within the definition of the act which they have to administer.

Mr. BRADETTE: The objection the board will find will be under the word "owns." He has not the title, which is still in the crown, but he is the owner in fact as far as actual habitation and work are concerned.

Mr. RHODES: My hon. friend would not suggest that the farm loan board would lend money to a man who does not own a farm?

Mr. BRADETTE: Well, he owns it in a sense; he has the moral right to it. There are farmers in our section that have been on their farms twenty-five years but have not a deed. No one will tell me that anyone could take those farms away from them. They have made improvements. I know the government is sincere in its desire to help agriculture, and there should be some provision to make it possible to help that fine settler population in the newer sections of Canada.

Mr. RHODES: It is obvious that we cannot make further progress before six o'clock. It is not proposed to go on with this bill this evening. I therefore move that the committee rise and report progress.

Progress reported.

At six o'clock the house took recess.

After Recess

The house resumed at eight o'clock.

CANADIAN AND BRITISH INSURANCE COMPANIES ACT AMENDMENT

Mr. G. G. COOTE (Macleod) moved the second reading of Bill No. 13, to amend the Canadian and British Insurance Companies Act, 1932.

He said: Mr. Speaker, when the insurance act was amended a couple of years ago section 180 of the old act was not included in the revised act. The purpose of this amendment is to place in the present act the provisions of old section 180. I will not take time to read that whole section; I will simply say that its provisions would make it compulsory for a life insurance company when any premium is due and not paid to apply any cash surrender value which existed under a policy to maintain the policy in force until the whole cash surrender value was exhausted.

As the act now stands it is not necessary for the company to maintain the policy in force if the premium is not paid by the policyholder; the policy may be forfeited, and in that case the insured would lose his insurance; in other words the policy would lapse. It seems to me that every policy should be carried in force so long as the cash surrender value is sufficient to cover the premium. Most policies now in existence contain such a clause, but I feel that it should be compulsory for every company carrying on life insurance business to adopt this method. I am told that some companies have made a good deal of money out of this practice of allowing policies to lapse even where there was sufficient cash surrender value to have continued the policies in force. To-day all companies are in competition with each other in the selling of life insurance, and one of the strong talking points used by their agents is the profits earned by the companies. If one should make profits out of the cancellation or the lapsing of policies where there is sufficient cash surrender value to carry them on, no doubt other companies will feel compelled to adopt a similar method so that they will be able to compete in the matter of profits.

Subsection 5 of this bill is new; it is not taken from the old act. This subsection would limit the rate of interest which may be charged by any life insurance company against any advance or policy loan to a maximum of four per cent per annum. I think hon. members will be seized of the importance of this provision when I state the figures showing the money advanced as policy loans. In 1932, which is the last year for which I have the figures, the amount of advances against policies held by life insurance companies reporting to the dominion Department of Insurance was $244,000,000. In 1933 it was $218,000,000; in 1930 it was $188,000,000 and in 1929 it was $159,000,000. I think those figures show the importance of this matter.

I might say a word as to the necessity for this section. In 1921 I had the experience personally of being charged ten per cent per annum by an insurance company on a six months' note which I tendered in payment of a premium. I refused to sign the note and secured the money elsewhere with which to pay the premium. But that shows the rates which have been charged policyholders by certain insurance companies. Just last year I found that I was being charged eight per cent on money which was automatically advanced under the provisions of the policy itself; the premium was being advanced automatically from the cash surrender value of the policy. That was carried as a loan against the policy and I was being charged a rate of eight per cent per annum. I found that by taking out a loan against the policy and turning it in as payment of the premium due and the premium previously charged against the cash surrender value, the rate was reduced to six per cent, but I think even that rate is excessive. I am told that some companies regularly charge a rate of seven per cent on loans against their policies.

The importance of this matter may be shown in another way. I have here the figures concerning four large companies doing business in Canada. The first company has twenty-four per cent of its interest earning investments in the form of policy loans. The next company has approximately twenty-five per cent, the third about twenty-four per cent and the last company about twenty per cent of its interest earning investments in the form of loans against policies. The investment folio of another company shows city mortgages amounting to $27,000,000, farm mortgages totalling $19,000,000, bonds and debentures amounting to $43,000,000 and policy loans of $28,000,000. So it will be seen that in this case the second largest investment is in policy loans.

I think the rate of even six per cent, which is the lowest of which I have heard, is much too high. The security for these loans is the best in the world; the companies are lending money to their own creditors. There cannot possibly be any loss; there is no risk connected with it. Another reason is that the next best investment of the life insurance companies would be dominion government bonds, and the rate they can now earn from those investments is considerably less than four per cent. I find that the average rate earned in 1923 by two of the largest companies was 4·08 per cent in one case and 4·09 per cent in the other, yet to my personal knowledge one of these companies was charging eight per cent on part of their loans against policies.

I think it advisable that parliament should incorporate in the insurance act a uniform rate that may be charged by these companies. As I said before they are in competition one with the other. They are all trying to make good profits, and if one company charges high rates of interest in order to increase its earnings the other companies naturally will feel that they must do the same in order to compete.

Life insurance surely is carried on for the good of the people, at least it should be carried on in the interests of the people.

All our regulation is ostensibly for that purpose, and looking at the matter from that point of view there can be no doubt that this is something which should be regulated by parliament. I earnestly ask this house and the government to accept the bill, and if it is accepted I should be glad to move that it be sent to the banking and commerce committee for further consideration. I think the bill is a feasible one, and I hope it will receive the support of the house.

Hon. E. N. RHODES (Minister of Finance): With respect to the provisions contained in subsections 1, 2, 3 and 4 of section 1 of the bill, it is a debatable question whether the proposals made by my hon. friend, notwithstanding the fact that at one time they were contained in the insuraance act, would be as favourable to the insured as the present provisions of the policies of the majority of the companies. If these provisions were inserted in the law it would mean that if a man had a high priced policy, we will say a ten payment life, the loan value applied to the premiums paid would be absorbed with such rapidity that the policy would soon be extinguished, whereas if the insured had the option of accepting a twenty payment life policy or some other class of insurance which would enable him to spread the same amount of money over premiums calling for smaller payments, he would be able to keep his policy alive over a much longer period. However I do not purpose discussing the matter at this stage; I merely make these observations on the point as to whether or not the proposals made would be of benefit to the insured.

It seems to me the question of the interest rate is a technical matter upon which the superintendent of insurance and the parties interested should be heard. So far as I am concerned I am content to accept the suggestion made by the hon. member for Macleod (Mr. Coote) namely that the bill receive second reading on the understanding that it go to the banking and commerce committee where discussion may be had to better advantage than in committee of the whole house. I shall be content to accept that arrangement, but of course without prejudice to the right of hon. members to take exception either to the principle or to the details of the bill.

Hon. HUGH GUTHRIE (Minister of Justice): Mr. Speaker, before the motion is put I believe I should point out to the hon. member who moved second reading of this bill (Mr. Coote) that my understanding is that section 180 of the Insurance Act, 1927, which is to be found in the revised statutes, was dropped in the enactment of 1932 because it was considered that the federal parliament had no right or had no legislative authority in such matters.

Mr. YOUNG: Much has happened since then.

Mr. GUTHRIE: There were some very important decisions after the passage of the original section 180. One of the law officers of the Department of Justice, who has had large experience with insurance legislation and has been closely associated in the insurance cases which have gone before the privy council, has sent me a memorandum which I believe I should place at the disposal of hon. members. The memorandum deals with the question of federal jurisdiction with regard to subsections 1, 2, 3 and 4 of section 1 of the proposed bill. He points out that these subsections may constitute regulations affecting the conduct of the business of insurance, and in those circumstances it is doubtful whether we have any right to deal with them. However, he believes subsection 5, regarding the rate of interest, is within the jurisdiction of parliament, and his object in sending me the memorandum has been to acquaint the house and the hon. member with the situation.

Mr. H. E. SPENCER (Battle River): Mr. Speaker, without detaining the house too long I should like to support the bill presented by the hon. member for Macleod (Mr. Coote), second reading of which he has moved this evening.

During the last five or six years the matter of insurance has become not only one of great importance but one involving considerable risk to people who are prejudiced because of inability to keep up their premiums. In a debate which took place in this house about a year ago it was shown that due to the heavy cost of writing insurance, involving commissions, bonuses and one thing and another, premiums are essentially—and I believe unnecessarily—high. That being so we find that in years of crisis many people have much difficulty in carrying their insurance premiums.

Last year I obtained figures showing the aggregate amount of policies surrendered and dropped in three years. In the province of Alberta alone these policies aggregated a value of $66,000,000, and the figure for the whole of Canada was well over two billion dollars. I mention this fact because I believe this extraordinary situation has been brought about very largely not only because of the

high cost of premiums but because of the high interest rates charged. I would point out that the higher the rate of interest the insurance companies charge on loans the greater the difficulty in carrying the policy. For these reasons I have much pleasure in seconding the bill presented by the hon. member for Macleod, which recommends that the interest rates be reduced in the manner he has indicated.

Motion agreed to, bill read the second time and referred to the select standing committee on banking and commerce.

FOREIGN INSURANCE COMPANIES

Mr. G. G. COOTE (Macleod) moved the second reading of Bill No. 14, to amend the Foreign Insurance Companies Act, 1932.

He said: Mr. Speaker, the provisions of this bill are the same as those of the bill which has just received second reading, with the exception that they apply to foreign companies rather than to Canadian and British companies. I should be glad to have this bill sent to the banking and commerce committee.

May I say, respecting the point raised by the Minister of Justice (Mr. Guthrie) that I have never understood this particular section of the old act conflicted with the powers of parliament. However when the matter is discussed in the banking and commerce committee I am sure the point will be carefully considered, and it may be that the wording of the act could be improved upon. All I wish to do is to protect the policyholder. In the event of there being in his policy a cash surrender value sufficient to carry it, such policy should be carried as long as possible and at a reasonable rate of interest.

Hon. E. N. RHODES (Minister of Finance): Mr. Speaker, the observations I made respecting Bill No. 13 apply with equal force to this bill, the provision being precisely the same. Of course the former bill has to do with Canadian and British insurance companies while this one deals with foreign insurance companies.

Motion agreed to, bill read the second time and referred to the select standing committee on banking and commerce.

FISHERIES ACT AMENDMENT

Mr. THOMAS REID (New Westminster) moved the second reading of Bill No. 17, to amend the Fisheries Act, 1932.

He said: Mr. Speaker, let me say at the outset that this is not the first time I have brought this matter to the attention of the house, but it is the first session I have approached the problem by way of moving an amendment to the Fisheries Act. My reason for moving the amendment at this time is that after careful consideration and investigation into the whole matter of salmon fishing in the Fraser river and the waters adjacent thereto I have come to the conclusion that something will have to be done to protect not only the fishermen of the Fraser river but the great salmon fishing industry itself.

I am sorry that owing to the rules of the house I am unable to place on the records the boundaries as defined in the bill, but I have in my hand a map with the boundaries indicated thereon, and which I shall send over to the minister. The red lines show the Fraser river and the blue lines indicate the area covered in the bill, in connection with which I am asking the house to act. I will send this across to the minister so that he can follow me better as I proceed with my argument.

This question, Mr. Speaker, affects 2,366 gill net fishermen. That is the number of licences issued for the Fraser river for 1934. Actually there are more gill net fishermen engaged than that, because they come in from other parts of the province at certain seasons of the year; and there is also the extra help some use.

For the benefit of the house it is perhaps as well that I should take a minute to explain what purse seining and gill net fishing is. Purse seining is done by means of a large power boat. They go out to fish, and when they sight a school of fish they let down a net and circle the school or as much of it as the seine net allows. The net is about seventy-three feet in depth. When the fish have been circled there are cords that tighten and draw together the bottom of the net, and all the fish within the net are caught as it tightens up just like a purse. The seine is about twelve hundred feet long and, as I said, some seventy-three feet in depth.

In gill net fishing, generally speaking, there is one man to a boat, although sometimes he has a helper, a boy or another man. The nets used in these boats in the Fraser river are nine hundred feet long and in the open water twelve hundred feet long, but they are shallow in depth compared with the purse seine, being only some thirty feet deep. Not only is the net shallower, but the size of the mesh is entirely different from that of the purse seine. The mesh of the gill net which is operated by the individual fisherman must be large enough to allow only the head of the salmon to go through. If that were not so they would not catch any fish, whereas the

purse seine has a very small mesh so as to catch everything that comes into it. I think that simple explanation will suffice. These two methods of fishing are better understood by those who have given study to the matter, but after this brief explanation I think hon. members will be better able to follow my argument.

May I point out that the fishing industry in this country is one of our most important industries. I should like to put on record a few figures connected with it. The total value of the fisheries for the whole of Canada, that is the landed catch, according to the latest report, amounted in 1933-34 to $27,558,053. I would ask you, Mr. Speaker, and hon. gentlemen to note that the total value of the fisheries in 1929 was $53,500,000, and it dropped last year to $27,558,053. In 1930 the total value of the fish caught was $47,804,216.

As to the number of employees in this industry: according to the records the total number of men employed in the fishing industry, actually fishing with the boats, in 1933-34 was 65,391; employed ashore in canneries and elsewhere there were 13,927 employees, making a total number engaged in the fishing industry of 79,328. Invested in the fishing industry is the sum of $40,907,470, of which $24,912,482 is invested in vessels and gear; and invested in canneries is a total of $15,094,988, making a total investment in the industry of $40,907,470. From these figures one can see that the fishing industry of Canada is no mean industry, and I mention that because there is genuine concern throughout the country because we have to-day no minister of fisheries. We had a minister of fisheries in 1930-31, and if I may make this personal reference we were indeed very sorry to lose the present Minister of Finance when he was transferred from his office of Minister of Fisheries to his present portfolio of finance. It is a cause for general complaint and alarm that one of the most important industries in this country has now no minister in charge of its administration. There is an acting minister, it is true, but may I say in all kindness to the present acting Minister of Fisheries (Mr. Stirling), and my remarks apply to his predecessor as acting Minister of Fisheries, that one cannot expect the same results when one is delegated only as an acting minister. At least that is how I believe anyone would feel if he were acting minister only, instead of the minister. The result has been that ever since the Department of Fisheries has been in charge of an acting minister he has had to rely entirely on the reports and recommendations made by his officials. I am frank to say that in my opinion the officials are practically running the whole fisheries department. No acting minister is given a proper chance to go into all matters connected with the fishing industry and so find out for himself what the actual conditions are. He is only the acting minister, and with all due deference to the present acting minister he has not yet had time to investigate the fishing industry thoroughly and he must therefore rely on what his officials tell him.

There is another complaint I wish to register. There have been no meetings of the fisheries committee except for one session since I have been a member of this house. Very important changes have been made in the regulations by order in council, and may I point out that orders in council have been passed without any previous intimation to the fishermen or to those affected. Drastic changes have been made in the regulations under the Fisheries Act, in many instances simply by order in council. I believe that before an important change is made the matter should come before the fisheries committee, which I believe should be in session every year; but as I have said since I have been here it has been in session only one year; since then everything has been done by order in council.

The area which I am asking to be enclosed by fishery regulations with a view to prohibiting seining therein was previously closed to seining for over fifty years. It was not till 1933 that an order in council was passed—at a time when the house was sitting, and without any warning being given—opening this area and permitting the purse seine boats to come into it and scoop up the fish. I know the acting minister might have different data from his officials, but the information I have regarding other districts is that seine fishing has been allowed in many areas in British Columbia until it was found that intensive fishing by purse seines depleted those areas. The result was that those operating seine boats, cannery companies and others owning these boats, looked around for new areas in which to fish and utilize their boats. They discovered one such area in the gulf of Georgia in close vicinity to the mouth of the Fraser river, and so it was opened in 1933 for these purse seine vessels. In that year sixty-five of them were allowed in that area, and last season a total of 103 of these boats were operating there. I maintain that if this is allowed to go on, the great fishing industry of the Fraser river is in grave danger of being

not only depleted but eliminated in a few years. I say that in all seriousness, because that has been the experience in other areas.

When the area was opened up first, in debating the matter in the house the then acting Minister of Fisheries argued that it was a question of quality. In that area there was a run of a variety known as pinks, which come in every two years. They said it was necessary to allow the seine boats to operate, because the fish deteriorated once they started up the river. Last year it was the late run of sockeye salmon. Nothing was said in 1933 about sockeye salmon, however; it was all quality in that year. As I develop my argument further I intend to show that the opening up of the area was entirely in the interests of the cannerymen and of those who owned the seines. First of all I would call attention to this fact, that away back in 1922 a commission was appointed under the chairmanship of the hon. member for Antigonish-Guysborough (Mr. Duff) and I have here a copy of their report. That commission studied the subject thoroughly. It was composed of many members, including some who are still in the house, and one of whom was the hon. member for Nanaimo (Mr. Dickie). Another member was my hon. friend from Comox-Alberni (Mr. Neill). The commission went out to British Columbia to investigate the whole fishing industry, and among other things which they investigated was the question of seine fishing. This is the statement on seine fishing, which we find in the submission of the Duff commisison of 1922. I will quote from it:

> We think that an unlimited and widespread use of either purse or drag seines is a sure and quick way of depleting the supplies of salmon. But it was made clear to us that there are places on the coast outside of rivers where gill nets have not as yet been proved to be effective in catching salmon in reasonably large quantities. With this in mind, therefore, we recommend that drag and purse seines be not permitted to be operated for salmon except where their use has been demonstrated to be the only effective and reasonably economic method of catching such fish.

There was the definite statement made by that commission who investigated the matter on the ground. They heard the gill net fishermen, the cannerymen and all other interests, and after due deliberation they recommended that no purse seine fishing be allowed where gill net fishermen can operate. I do not think the acting Minister of Fisheries will take issue with me when I say that the area in which they are now operating could be operated entirely by gill net fishermen, because for fifty years the gill net fishermen did operate in that area and it was not until 1933 that these others were allowed into the area at all.

That seine fishing is the most destructive form of catching fish, I do not think there can be any doubt whatever; I believe it is even more dangerous than the traps, as someone has said. And as I have pointed out, wherever they have been in operation these areas have been depleted. As regards statements that have been made with respect to the depletion of fish in the Fraser river, I should like to read two reports which I have here, one by the United States department and one by the government of British Columbia. I have a letter from the director of fisheries in the state of Washington, addressed to me in December, 1933, after they had operated that area. He says:

> Heavy persecution of the run throughout the season both by American and Canadian fishermen resulted in the pack of about 180,000 cases which was considerably in excess of what should have been packed to guarantee a similar run in 1937.

The other report is supplied by Doctors W. A. and L. S. Clemens, Pacific Biological Station, Nanaimo, British Columbia. I quote:

> Fraser River: The prospect for 1935 is very discouraging. In 1931, Mr. J. P. Babcock, after making an inspection of the spawning beds in the Seton, Anderson, Lillooet, Harrison and Shuswap areas and receiving reports of dominion fisheries officers through Major Motherwell for other areas, stated that the total number of sockeye that spawned in the entire river basin was one of the smallest ever recorded. Egg collections at the Pemberton and Pitt lake hatcheries were relatively small.

I quote these two reports to show that intensive fishing by seine, and on the American side by seine and traps, is very detrimental and will have a marked effect on the future of salmon fishing in the Fraser river.

We hear a great deal now about quality and about finding a market for our fish. But let me point out the great catches of salmon which used to be made in the Fraser river and in years when they found no trouble whatever in selling this class of fish. I have not the time to put all the figures on record, but if one cares to go back to the year 1926 he will find that the market value of salmon was then $18,769,605. And as regards the packs of salmon in the Fraser river, in 1913 we had over 2,000,000 cases of salmon packed —fresh fish caught in the Fraser river. To be exact, the figure was 2,409,760. Now it is interesting to watch the drop. In 1933 —I have not before me the figures for 1934—

the catch was 178,204 cases, compared with almost 2,500,000 cases in 1913. It was a wonderful industry employing many thousands in those days, with canneries up and down each side of the Fraser river; and at that time the industry was not bothered with anything about quality and regulations.

I mention these facts in an endeavour to prove that the salmon fishing industry is going down, and this latest move by the government in allowing purse seines to operate in this area right in the mouth of the Fraser river, which practically makes it a trap, and in an area where gill net fishermen did operate for fifty years, will result in depleting the salmon there and in the ruination of over two thousand fishermen at present engaged in the industry.

Some areas have been closed this year. A notice has been sent out from Vancouver that certain areas—5, 6 and 7—will be closed owing to the intensive fishing done with purse seines. I could mention other areas but I have taken these in particular. Ten years ago, when the seines first went into the areas which are now being closed, they caught anything from 10,000 to 20,000 per day. Their catch last year was between 1,500 and 2,000. It is no wonder the department, operating from Vancouver, has taken steps to close the area to purse seine fishing, but it is somewhat late. These people have boats and nets, and the department have said, "We will allow them to go into this last area," so they will do the same damage there as they have done elsewhere if seining is not prohibited.

In 1933 we had the word "quality" thrown at us. I wonder what excuse will be offered in regard to this past season. I have made a thorough investigation as far as I have been able to do so, and have endeavoured in every way to ascertain the facts from the fishermen. From all the figures and all the data I can get I am reliably informed that the sockeye salmon are in better condition when they come up the river than they are before they come up. I know there is some question regarding the pinks, and if I have time I shall deal with that later, but I am speaking now of the late run of sockeye salmon that were caught last season. For the information of hon. members I may say that the salmon when they come out of the salt water and first taste the brackish water, stop there and wait in those areas until all food is gone out of their bodies. Then they go upstream and so get harder and harder as they head upstream, with the result that the fish caught further up the river after they have waited for a period in the open waters are, so experienced fishermen and experts say, of better quality for canning than the late run of sockeye which is caught out in the open. This might not apply to the pink salmon caught in clear salt waters, but it does apply to the late run of sockeye.

I have not time to go into the matter as fully as I would like because I see my time is passing and I have many things I would like to draw to the attention of the minister. There is a good deal of concern and complaint regarding the inspection board. I was present when the acting minister received in Vancouver a delegation and I think that question was gone into. But when his officials tell him that the canned fish that are condemned or considered to be second quality are those which have been caught by the gill netters, and that all fish of first quality are those which have been caught by the seines, that is untrue because no man can tell after the fish are canned which have been caught by seines and which have been caught by gill netters, and the word of the cannery companies is not without bias. Might I point this out to the acting minister: I might mention two canneries, otherwise doubt might be cast upon this statement. The Phoenix cannery this last season bought all seine caught fish, and fifty per cent of their fish I believe were classed as second quality. Another, the Glenrose cannery further up the river, took all their fish from the gill net fishermen and that cannery had practically no cases condemned. I just mention those two instances.

Coming to the question of quality, I have before me something that I should like to show to the minister—I do not know that it has been shown to him—and to the house, with regard to what is taking place in connection with the fish inspection board. Many rackets have been revealed in the price spreads committee, but I will indicate a racket participated in by the dominion government; it is so striking I thought I would mention and exhibit it to the house. I have in my hand an empty one-pound salmon tin. When the salmon is first canned they place on the lid the one word "Canada." When the word "Canada" is on the lid, that is supposed to represent number one quality fish. The inspector comes along, and by the way these inspectors are also buyers, because they are brokers—this is a point on which I should like to speak a little later as these government inspectors are also in the market for fish. When they inspect the cases of salmon they may come on a case which in their opinion should not be so marked, but is second quality. What do they do? They compel

the cannery to put on another lid on which is marked "second quality." Thus you have second quality, but what do some of the buyers do? They buy a lot of these second quality fish and take off the outer lid so that the tin remains with the word "Canada" on it. The result is that during the past season there has been a large demand, I understand, from buyers abroad to the brokers in Vancouver for these second quality fish because they can buy them at about half the price; the first tin remains intact with the word "Canada" stamped on it, so that they can sell it in the stores as first quality fish after removing the second quality lid. Talk about a racket! The department knows about this but no steps have yet been taken to stop it. I am not going to develop the argument further, although I should like to say more about the inspection board because I heard a good deal about it. Strangely enough there was a great demand on the brokers this year for second quality fish, which can be bought much cheaper than the number one quality.

Mr. STEWART (Edmonton): How much cheaper?

Mr. REID: I believe there is a difference of about three or four dollars a case. I thought it well to bring up this point because this practice should be stopped. The whole situation is a farce. I do not know whether the minister has seen this type of tin, but I am sending the whole thing across to him, because it is really worth while showing it.

Mr. MOTHERWELL: Are these inspectors paid employees of the government on full time?

Mr. REID: The inspectors, while they are appointed by the dominion government, are paid by the cannerymen at the rate of so much a case. The inspection board, so far as payment is concerned, is no charge on the government; the cannerymen pay it. But human nature, being what it is, brokers should not also be government inspectors; that is a situation that should be changed. It is bringing the whole industry under suspicion, because they are receiving orders from abroad, and if they are receiving orders for second quality fish and there is none in the market, well, if they wanted to they could find some, because all they would have to do if they were so disposed—and I am not accusing them—would be to turn down certain cases on inspection. I am not saying that they are doing this; far from it; I have no proof of it, but there is the possibility.

So far as quality is concerned the industry is very much alarmed also at certain statements which have been made, and in addition in regard to closing time of which I shall later speak. But with reference to the quality of the fish and the statement that it is necessary to have the seine boats catch the fish away out in the open before they get up the river, I will first read this: Major Motherwell, the man in charge at Vancouver, attended on September 12 last a Kiwanis club meeting in New Westminster, and he said at that time:

> Sixty per cent of the present run of sockeye salmon entering the Fraser river are not in fit condition for canning.

That at least is what he is reported to have said. This information comes from the British Columbian, a paper published by one of our senators and printed in the city of New Westminster. He said that sixty per cent were not fit for canning, and his statement was made on September 12, but about two weeks later the river was opened up and fish were allowed to be caught. The fishermen are asking this very pertinent question: If the fish were not fit for canning on September 12, were they more fit two weeks later? That was the point. That question is a very difficult one to answer because the argument has been advanced by the officials that fish begin to deteriorate at a certain period and therefore they close the area so as to allow spawning and also, they claim, to maintain the quality of the fish. I shall just ask the minister to take note of this matter; I think he heard something about it while he was in Vancouver.

I should like to speak about the exports of sockeye, but as the hon. member for Comox-Alberni has on the order paper a resolution with reference to that matter I shall reserve the remarks I intend to make on that subject, which is very important and has a bearing on this bill. But I invite the minister's attention to the matter of the closing time put into effect on the Fraser river in the 1934 season. Fishing is closed for the week-end to all kinds of fishermen. I should like him to get from his officials an explanation of why the purse seiners were allowed to operate eight hours ahead of the gill netters. They certainly could make a cleanup in the first eight hours, because as is well known to all who know anything about the industry, the opening morning after an area has been closed to allow the fish to go up for spawning is the best time for a catch. The seiners can catch more on a Monday morning than on a Friday morning. The fishing goes down as the week passes; the fish become more scattered and do not school up in such large numbers. I think the

question why the seine boats were allowed to operate some eight hours more, as they were, is worthy of the minister's attention.

As to the quality, it is a strange thing that the American cannerymen who compete with the Canadians in the markets of Great Britain can pay more for the Canadian caught pinks and late run sockeye fish than the Canadian canners offered. For the late run of sockeye in the Fraser river the United States cannerymen were offering twenty-five cents per fish when our cannerymen in many instances were afraid to take them in case they should be turned down as second quality. Putting those double lids on adds quite an extra amount of expense; first they put on one lid, and then the other. The canneryman was afraid to take a chance, and so this last season, 1934, he was not ready to take the late run of sockeye, and the majority of those fish were taken across the line where the Americans paid an average of 25 cents each for them. Last year when our pink salmon was said to be of little value the Americans were paying fifteen cents for them to the fishermen who took them across the line, when all the Canadian canners were paying was two cents per fish. Yet we are meeting their competition in Great Britain. Someone suggested that is a matter for the attention of the price spreads and mass buying committee, but I suppose it is too late for that now.

I should like the minister to reply. I have many matters that I should like to bring up in this connection. The matter is a very serious one. The whole industry is faced with disaster; many of these men are being forced on relief. The Deputy Minister of Fisheries stated that this past season the fishermen made the best money they ever made, but I deny that statement right now. He quoted figures, but in those figures he included Japanese fishermen who operate their boats the entire twenty-four hours a day. If he takes as the catch of one man that of a boat operated twenty-four hours a day it may well be said he did well. But as for the white fishermen on the Fraser river I dispute the deputy minister's assertion; they did not make as much this year as in past seasons. Besides the loss of late run sockeye, other varieties of fish were picked up by the purse seines and their catches diminished thereby.

As the hour is almost up I must conclude my remarks, but I make this suggestion to the minister. If the attitude of the government is to turn down the bill I suppose I shall have to abide by it, because they have the majority; but I appeal to them at least to let this bill go to the committee, in which case I would ask in all seriousness that representatives of the fishermen be brought from the Pacific coast to appear before the committee. It is all very well for the cannerymen who have plenty of money to appeal to the acting minister or the deputy minister, but the fishermen are not in that position, so I urge upon the minister that they be brought before the committee if the bill is referred to the committee.

Mr. G. H. PETTIT (Welland): The hon. member (Mr. Reid) referred to the alarming reduction in the catch and output of fish. Is not the chief factor in that situation the methods and the various kinds of seines and other contraptions used by the American fishermen fishing in the adjacent waters and off that point of land where the fish pass into Canadian waters—

Mr. DUFF: Point Roberts.

Mr. PETTIT: —is that not leaving very few of the sockeye for the Canadian fishermen to take?

Mr. REID: I should like to discuss that point before the committee, because the hon. member has not the right angle. Categorically I would say no, but I should like to answer it more fully in committee.

Mr. PETTIT: Would not the real solution of the matter be a treaty between the United States and Canada, assented to by the state of Washington which has certain rights under the terms of it's entry into the union?

Mr. REID: It might, but only if seines were prohibited. I should be very pleased to answer all such questions before the committee.

Mr. SPEAKER: This is not in order; the house is not in committee.

SUPPLY

DEPARTMENT OF AGRICULTURE

The house in committee of supply, Mr. Bury in the chair.

Publications, $32,197.60.

Mr. CASGRAIN: I notice there is an increase. Would the minister give the reason for it?

Hon. ROBERT WEIR (Minister of Agriculture): There has been a reorganization of the branch, consisting chiefly of taking in the extension branch of the experimental farm with the old publications branch. There is an increase in advertising and publicity, $3,300; supplies and material, $2,725; and travelling, $3,000.

Mr. MOTHERWELL: Does the minister mean, by taking up publications again, that he desires to go on discussing his farm rehabilitation scheme in the western prairies, or would he prefer to do that some other time?

Mr. WEIR (Melfort): That would come better under experimental farms. I took the opportunity of making the announcement the other day, because it could be made either through the press or on the orders of the day; but I thought it would be just as well to make it on the introduction of estimates.

Mr. BOTHWELL: I was not able to hear the minister's answer to the first question. Did he say that appropriations formerly made under other departments are now included in this item, and account for the increase?

Mr. WEIR (Melfort): No, a reorganization has taken place in the publications branch, and we hope to centralize all work of this nature. We have included under this item work previously done under the experimental farms branch.

Mr. BOTHWELL: Is this reorganization going to cost more, or what was the extra amount spent under experimental farms branch?

Mr. WEIR (Melfort): No, the cost will be less. The experimental farms branch vote previously included part of this item, but this total is less.

Mr. BOTHWELL: Last year this vote amounted to $23,039. How much was spent for this purpose under the experimental farms vote?

Mr. WEIR (Melfort): I really have not the information at hand in that form, but I shall be glad to give the hon. member any information in that connection that I can secure. This item really covers material and staff for the distribution of publications.

Mr. BOTHWELL: If I understood the minister aright a portion of the money formerly expended by the experimental farms branch will now be expended under this item, but I notice that the experimental farms item is also increased this year, whereas, unless there is some other reason, it should be reduced by the amount included under this item.

Mr. WEIR (Melfort): For purposes of administration there is a transfer; less money will be expended by the experimental farms branch in this connection.

Mr. VALLANCE: I notice that in the estimates for 1934-35 there was a decrease of $150,354 in the experimental farms vote. This year the increase on the same item amounts to $122,898. The minister is reducing the amount spent for publications under the experimental farms vote and is taking that money out of the reduced vote, though he has not yet made up what he took out last year. Last year there was a decrease of $150,000; this year the increase amounts to only $122,000, but the minister says he is extending the services. How is he doing that?

Mr. WEIR (Melfort): There is a consolidation of the work which accounts for the increase in this vote. If I understood the hon. member aright he said that last year there was a decrease in the experimental farms vote and that this year there is an increase. The increase in that vote, which will be discussed more fully when we come to that item, is due to the extended work of the experimental farm system.

Mr. VALLANCE: I am not concerned about the increase in the vote this year, but the minister says that the amount formerly expended out of the experimental farms vote for publications now is under this item. Last year there was a decrease of $150,000 in the experimental farm vote. This year the increase amounts to $122,000 still leaving a decrease of about $30,000, yet the minister is proposing to give greater service through the experimental farms vote than he gave prior to 1935. How can he do that?

Mr. WEIR (Melfort): Not a greater service in this work; a greater service in other work under the experimental farm vote this year.

Mr. GERSHAW: I should like some information with regard to the distribution of these publications. Are they sent out only upon request by a farmer or someone else interested, or are they sent out by the department to those who might be interested? For instance, there are some valuable publications dealing with irrigation crops. I was wondering if they were sent particularly to people on irrigated farms. Then in connection with the experimental ranching stations, which are doing valuable work, I find that a great many ranchers know nothing about the results of the experiments that have been carried out.

Mr. WEIR (Melfort): A mailing list is maintained, and in addition the publications are sent out upon request. With such publications are included lists of other publications that are available. Then if a person wishes to send for any others the list is there and he can make his selections. The method of sending out publications without requests has been considered many times in the past, and

it was felt that there would be a great wastage if they were sent out to others than those sufficiently interested to write for them. If persons do write, however, a list of publications in which they may be particularly interested is sent, and they are invited to mark the ones they would like and return the list. Then their names remain on the mailing list.

Mr. BOTHWELL: In 1932-33 the item for publications amounted to $7,500. In the following year it was $28,231. Last year it dropped to $23,000, but this year it is the highest of which I have record, $32,197.60. The experimental farms vote is also higher this year. I think the minister should give the committee some information as to the publications that are being taken out of the hands of the experimental farms branch and being looked after under this item, with the estimated saving to the experimental farms branch. So far we have not been able to get any explanation of this vote.

Mr. WEIR (Melfort): I regret that I do not seem to have been able to make myself clear to the hon. member. He has said that in one year there is an increase and in another year a decrease. This vote may go up or down, depending on the demand for these publications. At the end of one year, due to a lack of requests, there may be left a supply of material which will be taken into consideration in making the estimate for the following year.

Mr. CASGRAIN: I should like the minister to give us some information as to the publications that are put out. I have here the annual report of the Department of Agriculture for the year ending March 31, 1934, and at page 65 publications are dealt with. It gives the numbers of the publications issued; 28, 88, 151, 161, 162, and so on. I should like to know what publications are being issued at the present time by the experimental farms branch, what publications in future will not be issued by that branch, and what new publications are to be issued to account for the increase in this item. I think we ought to have that information.

Mr. WEIR (Melfort): The money in this vote is not for the printing of publications, but for the distribution of them.

Mr. CASGRAIN: Does it cost that much?

Mr. WEIR (Melfort): Yes.

Mr. DONNELLY: The minister has assured us that the cost will be less this year. How can he tell us whether or not it will be less, unless he can tell us how much he will save from the vote for the experimental farms? Unless we know how much he saves on that which has been included in the experimental farm vote, the committee cannot form any opinion as to what we are saving how it is being saved or where it is being saved.

Mr. WEIR (Melfort): The branch has been enlarged this year, and part of the administrative work done by the experimental farm will be done by this branch.

Mr. DONNELLY: How much?

Mr. WEIR (Melfort): We are not in a position to say exactly how much.

Mr. DONNELLY: Then how can you tell whether or not you are saving money?

Mr. CASGRAIN: Surely the minister ought to be able to give us some idea of how many men he will employ, how long they will work, and whether he is going to have a larger number of men employed later on. He must have based his estimate for the increase on certain figures. I understand him to say that the money is for distribution. Will it be paid to new employees? If so, will they be employed by the civil service commission, or simply at the will of the minister or the officials in his department? Since the money is for distribution, I think we are entitled to have this information. I understand the postage or mailing does not cost anything. The expenditure, as I understand it, is to place these pamphlets and documents in envelopes. Who will employ these men? Is it a political move, for an election?

Mr. WEIR (Melfort): There are no wages contained in this increase.

Mr. CASGRAIN: What is it, then?

Mr. WEIR (Melfort): This has to do with the sending out of publications, and so on. The staff of the publications branch is appointed by the civil service commission; but this increase is a matter of—

Mr. CASGRAIN: Accountancy?

Mr. WEIR (Melfort): No. It is an increase in supplies, materials, expenses and travelling, as I have indicated, and certain extension exhibits which were formerly taken care of in the experimental farm vote.

Mr. CASGRAIN: Has the deputy who is assisting the minister the details of the vote? The figures ought to be given to the committee.

Mr. WEIR (Melfort): The increase or the total vote?

Mr. CASGRAIN: The total vote.

Mr. WEIR (Melfort): For this year's vote the figures are as follows:

Advertising and publicity:
Clipping service, $600.
Newspaper advertising and radio, $1,000.
Mats for press services, $900.
Photographic and lantern slides, $800.
Temporary assistance, $1,497.60.
Supplies and material:
Metal stencils and ribbons, $850.
Mimeograph ink, $800.
Mimeograph stencils, $300.
Mimeograph paper, $8,000.
Printing, $4,500.
Stationery, $750.
Newspaper subscriptions, $100.
Envelopes, $5,500.
Replacement of duplicating machinery, $1,000.
Transportation:
Cartage, $1,100.
Postage and express, $1,000.
Transportation and travelling expenses to persons travelling, $3,500.

Mr. VALLANCE: Now that we have entered upon a discussion of this matter I think it would be wise to review these expenditures since the time the present Minister of Agriculture took over the administration of the department. Let us see what he has done each year under the item of publications. In 1930-31 we find a vote of $31,000; in 1931-32 there is a vote of $38,000. Then in 1932-33 it is reduced to $7,500. In 1933-34 it is back again to $28,231; we are climbing up. This year it is back to $32,197.60 an amount not far below the $38,000 he asked in 1931-32. I do not doubt the minister's statement of expenditures, but the point which arises in my mind is this: In the year 1932-33 the vote was only $7,500, and I am wondering if anything was done in that year, or was this particular branch of the department allowed to dwindle away to nothing? Is the minister now making an effort to catch up and leave the department in the same condition as that in which he found it?—at least I hope he will leave it.

Mr. WEIR (Melfort): The difference is accounted for by the fact that because of lack of demand supplies have piled up at the end of one year, thereby enabling a cut being made in the estimates. If I remember correctly in the year following the one in which there was a vote of only $7,500 the amount was greatly increased due to the fact that the supplies had been almost exhausted. My information from the officials of the department is that no demand for publications has been refused.

Mr. BOTHWELL: The minister has been good enough to give us the details as to how he expects to spend the vote for which he is now asking. We would like further to have the particulars as to how the moneys voted last year were spent.

Mr. WEIR (Melfort): I am sorry I have not the figures for last year before me, but I shall be very glad either to submit them to the committee or to send them to the hon. member seeking the information.

Mr. YOUNG: Mr. Chairman, I have on my desk a publication outlining the poultry marketing scheme which is to be voted on next week in Saskatchewan and other western provinces. I should like to draw to the attention of the minister the answers to questions which he laid upon the table yesterday. Question 4 was as follows:

What sum of money was advanced by the dominion marketing board for the purpose of promoting the marketing scheme for eggs and poultry in Saskatchewan, and to whom it was advanced?

The answer was "No sum." I objected to that answer because I had in my possession a telegram stating that the pool officials in that province had publicly admitted that they had received $20,000 which they were using to pay some ninety-five speakers who were getting $4 a day and their expenses to go out through the province promoting the scheme. The minister said he would give a better answer to-day, and to-day he told us that some sums of money had been advanced, but not for promotion purposes. When I asked him if the money could be used for promoting this scheme he replied, if I heard him correctly, that it depended on what meaning one would take from the word "promotion". I think he is not treating the house fairly. We have a right to a definite and clear answer to the question, and I trust the minister will give us a full explanation now.

Mr. WEIR (Melfort): I hope the hon. member does not wish to be unfair but I think he will agree with me when I finish my statement that he has been unfair. I did not state yesterday that I would give a better answer. The difficulty was that due to a disturbance in the house I could not hear the telegram or the information he read from it, and it was because of that I asked that his question stand as a notice. It was the way the question was worded by the hon. member for Weyburn, asking what sum was voted for promoting the scheme that made it impossible to give a direct answer because of the use of the word "promoting." There is no desire on the part of myself or any of my officials to avoid giving information. That would be useless even if we

desired to do so because all information must be produced and submitted to the house. But the hon. member will appreciate the difficulty in giving a direct answer to a question that has in it a word like the word "promoting."

Money has been advanced by the dominion marketing board to the proponents of this scheme on the basis recommended last year when the bill was before the house, not for the purpose of promoting the scheme in the sense that the word "promoting" is usually used, but rather for the purpose of presenting the scheme to the people. Part of it is being used for that purpose and part of it for organization incidental to the scheme. The reason that made this peculiarly a problem for the dominion marketing board was the amount of misrepresentation that had taken place in the west, particularly by one section of the press. I would have preferred not to make this statement, but rather than give the impression that we were attempting to evade making a statement I have no choice but to say that the amount of misrepresentation in western Canada, particularly by one section of the press, made it impossible for the people in the west to understand the scheme. I happen to have before me to-night one example of this misrepresentation, and there are many. It is a special dispatch to the Winnipeg Free Press from its staff correspondent, Grant Dexter. The heading is, Announce Changes in Methods of Taking Marketing Plan Vote. It goes on to say:

> This plan is radically different from the one agreed to by the dominion marketing board when the sponsors of the scheme were at Ottawa early in January.

Now that is not merely a misrepresentation but an absolute misstatement of the facts. There was only one plan that was approved by the board, but the heading implies that different plans had been approved by the board and that changes had taken place in what some of the western press announced were plans approved by the board.

The problem of the dominion marketing board was this: When I, as minister having charge of the administration of this act, decided that a vote should be taken, the problem was to get a true statement before the people who were to vote upon the scheme. For that purpose copies of the scheme were sent out, and in this case in the same mail with the ballots. The board I believe considered for some time the engaging of a large staff to present the scheme to the people, because it would have taken a large staff to put this scheme before the people. I may say that I was consulted in that connection, and it was felt that if the board undertook to engage people to do this work there might be those who would try to give the impression that the government, with an election coming on, was selecting political speakers to go round the country and put this scheme before the people. Those who have been in contact with the board know that it is an absolutely non-political body, and it was therefore decided that the best way to put this matter before the people was to advance money to those who were the proponents of the scheme that was approved by the board, with conditions attached that the hire of halls and other out of pocket expenses were to be paid for. It was also set out that any person who wished to oppose the scheme was to be given exactly the same opportunity at meetings as those who were speaking in favour of the scheme. Certainly no criticism can be made that there was anything political about it with reference to the people who have been presenting this scheme, because I understand that those presenting the scheme have included Liberal organizers of quite large districts in the western provinces, the secretaries and high-up officials in the United Farmer organizations, as well as representatives of Conservative, Cooperative Commonwealth Federation, and in fact all political bodies. We have watched the situation as closely as we can, and any criticism that the board has received of statements being made that were not correct has at once been followed by telegrams to those responsible to check up to see if they had been correctly reported where the statements made in one or two instances were not in accordance with the facts, and the answer that we have received from each of these inquiries has been that the statements were not made as reported but that they had been misreported. An accounting is being asked for from the people who have received assistance.

I do not wish to review what I have said except to say that this is one of the problems that has given the board much concern because of misrepresentation. It was not simply a matter of difference of opinion, because no one has any quarrel with people just because of a difference of opinion. It was rather a misstatement of fact which could easily have been found out by those who made the statement to have been a misstatement.

I do wish to impress upon the hon. member for Weyburn that in view of the way his question was worded, had I stated to him

the amount that had been advanced, my statement would have meant that that amount was advanced solely for the purpose of "promoting" the scheme, and that was not the purpose for which it was advanced. As a matter of fact the hon. member for Weyburn was a bit vexed that he did not receive the answer sooner, and the reason was the difficulty in answering the question as it was put. I shall be glad to send to the hon. member the conditions that were mailed to the people who did receive the money. I had not thought of this matter being brought up to-day although I had some of the information with me this afternoon.

Mr. POULIOT: We want it right now.

Mr. YOUNG: Nobody has suggested that any political speakers were being hired with this money to go out through the country. It was the minister who mentioned that Liberals and Conservatives were presenting this scheme, and we do not accuse the government of attempting to build up a political machine by this means. The question out there is this. A poultry scheme is put up and some of the poultry raisers of the west are in favour of it and some opposed. Nobody knows which party is in the majority. A vote is to be taken next week to find out. The proponents of the scheme, as the minister says, have been advanced moneys out of the public treasury to hire halls and speakers who are going throughout the country laying the scheme before the people and presenting its advantages. But those who are opposing it have no such opportunities. The minister says that they are free to go to the meetings. Yes, at their own expense, and to take whatever time the chairman might allow them, but they are not being advanced money as are the proponents of the scheme. I submit that when that is done by the government you cannot say anything else than that they are advancing money to promote the scheme.

Mr. VALLANCE: Was it the board that suggested that certain sums be given to this organization, or did the organization appeal to the board through the government asking for certain money?

Mr. WEIR (Melfort): The organization appealed to the board asking for money because authority had been provided in the act; and, as hon. members will recall, some discussion had taken place when the act was before the house as to the advisability of including in it provisions to advance money to assist any organization in putting forward schemes submitted by the producers.

Mr. VALLANCE: Now that we have that admission, would the minister be betraying any confidence or would he be telling us something that we are not entitled to know, if he informed us exactly how much money was advanced to this organization?

Mr. WEIR (Melfort): A sum of money was advanced to each of the three provinces: to Manitoba, $10,000; to Saskatchewan, $20,000 and to Alberta, $20,000.

Mr. VALLANCE: What were the names of the organizations?

Mr. WEIR (Melfort): The cooperative organizations that sponsored the scheme. The local boards, not yet being corporate bodies, could not receive the money.

Mr. VALLANCE: The organizations in these three provinces are responsible for holding these meetings and choosing those who are to put the propaganda across?

Mr. WEIR (Melfort): The sponsors of the scheme are to present it to the people.

Mr. VALLANCE: And they are responsible for the salaries?

Mr. WEIR (Melfort): If there is any salary for local speakers they pay it.

Mr. VALLANCE: Then there is to be an accounting by this group to the board?

Mr. WEIR (Melfort): Yes.

Mr. YOUNG: I understand that those who are opposing the scheme in Saskatchewan have formed a voluntary association to fight it, and I understand also that they requested that they be given a similar grant to present their side of the case to the public. Is that so, and if it is, what answer did they receive?

Mr. WEIR (Melfort): That is so, at least as regards one organization, the poultry protective association. One difficulty in which the board found themselves in this connection was that unless there was, so to speak, an official body that could state that that was the only money that would be required, it was felt that if they made the advance to this body a thousand requests might be received from other bodies who might indicate that they were in opposition, so that the board would be placed in an impossible position. They felt that the only way they could do what they wished to do—that is to say, to put the matter fairly before the people—was to advance money to those who had undertaken the work, as I have stated before, to place the case before the people. The money is taken out of this advance to

pay for the charges of these halls, and every person is given an opportunity to make a statement.

Mr. YOUNG: I understand that the Saskatchewan poultry producers' protective association is the only organization in the province that is opposing the scheme. Has that been submitted to the minister?

Mr. WEIR (Melfort): It is a very recent organization, and that I think is the only one from which the board has received an application. But there are other bodies opposing it; for example, the retail merchants association and the larger trade interests as well.

Mr. YOUNG: So that the position is this. The minister has refused a grant to the poultry protective association because it is feared that if they were granted a sum the retail merchants association might ask for a grant and the commercial interests might also make a request. Did this association make any other request besides the request for financial assistance?

Mr. WEIR (Melfort): Not as far as I am aware—not this particular association.

Mr. YOUNG: Did they ask for the right to have scrutineers when the ballots were counted?

Mr. WEIR (Melfort): Yes.

Mr. YOUNG: Has that been granted?

Mr. WEIR (Melfort): No, because neither side will have scrutineers. The whole machinery of taking the ballots and counting them is attended to by the officials of the department, and no scrutineers will be allowed either the sponsors of the scheme or those opposing it.

Mr. POULIOT: Was there a war-time elections act for hens?

Mr. SPENCER: Did the opponents of the scheme have ample opportunity to place their case before the marketing board?

Mr. WEIR (Melfort): Yes.

Mr. SPENCER: May I ask a second question. Is the Saskatchewan protective association composed of producers or of retailers?

Mr. WEIR (Melfort): I do not think we have any information as to the people who comprise it. It is a recent organization.

Mr. YOUNG: The minister has said that the opponents of the scheme had ample opportunity to place their objections before the marketing board. Will he tell us when the scheme was approved and also how soon this association received copies of the scheme which were promised in the letter of January 2? They could not oppose it until they knew what it was.

Mr. WEIR (Melfort): The original scheme was published and had been before the public for months. Notices appeared in the press and it was felt that every opportunity had been given for representation. There had been practically unlimited time and hearings were held, and everything possible was done to receive any objections that had to be made. As a matter of fact, after the hearings had been held, and after I had returned—I had been out of Ottawa—it was felt that there were still those who perhaps did not understand the scheme or who had other objections to raise, and they were asked to come to Ottawa. A session of two days took place, the whole matter being gone into fully. I am of the opinion that these people were satisfied that they had been given every opportunity to present their objections, and everything was done to put the matter before them.

Mr. YOUNG: At this point I ought to put these questions on the record:

Mr. Young:

1. Did the dominion marketing board on January 2nd, write to F. J. G. Cunningham, representative of the Saskatchewan Egg and Poultry Producers Protective Association, to the effect that as soon as the order in council with reference to the marketing scheme for eggs and poultry had been passed the board would furnish him with copies of the approved scheme?

2. Were these copies ever forwarded, and if so, on what date?

3. On what date is the vote on the said scheme to be taken?

The answers are:

Mr. Weir (Melfort):

1. Yes.

2. No. No order in council has been passed approving the marketing scheme for eggs and poultry in Saskatchewan.

3. February 16, to February 23, inclusive.

So that this association wrote to the marketing board here asking for copies of the scheme so that they might understand it and be able to decide whether or not they were opposed to it. A letter was sent to them intimating that as soon as the order in council was passed approving the scheme, copies would be forwarded. These copies were never forwarded to them, and these people knew nothing about the matter until notice appeared in the post office stating that the vote would be taken at such and such a time.

They got into touch with the provincial Minister of Agriculture and asked him whether he had copies of the scheme. He said: no, he had not; he secured copies of them from poultry pool which apparently had copies of the scheme although nobody else had. I want to ask the minister candidly whether he thinks that is giving all interested parties a chance to understand the scheme and place their views before the public?

Mr. WEIR (Melfort): First, as regards the question: Did the dominion board on January 2 write, and so forth, the answer to that was "yes," but the information that was asked for by Mr. F. J. G. Cunningham was whether, as soon as the order in council with reference to the marketing scheme for eggs and poultry had been passed, the board would furnish him with copies of the approved scheme. No order in council has been passed; this scheme has never been submitted for order in council; but it was felt that because notice of it was published in all the press—the press was filled with discussions of it in paper after paper, the time up to which persons might raise objections to the scheme was given—that was enough. It is perhaps regrettable that in the case of this individual a copy of the scheme was not mailed to him personally at the time, but I still maintain that I do not think he in any way suffered from lack of information as to what the scheme was or of ample time within which to submit any objection to it. We cannot yet supply him with a copy of the scheme as passed by order in council.

Mr. YOUNG: I do not think this man should be referred to as an individual; he was speaking on behalf of a very large association of people who are vitally interested in this matter. I would like to ask another question. The minister said that hearings were held. I presume they were held in Ottawa.

Mr. WEIR (Melfort): Yes.

Mr. YOUNG: Did the proponents of the scheme who came down to advance it have their expenses or any portion of them paid out of the public funds?

Mr. WEIR (Melfort): No, they did not.

Mr. YOUNG: Will they be able to collect those expenses from any of the moneys advanced recently which the minister referred to a few minutes ago?

Mr. WEIR (Melfort): If the scheme is finally passed and approved, that question may then be given consideration.

[Mr. Young.]

Mr. YOUNG: Then what chance would these others have had? The minister said that they had ample opportunity to come and make their case heard. Who would pay their expenses?

Mr. WEIR (Melfort): They would have to pay their own expenses.

Mr. YOUNG: Precisely.

Mr. VALLANCE: I would like to direct another question to the minister. When the hon. member for Weyburn was asking him with regard to taking this vote, the minister said that it would be taken by officials of the department. Are they permanent officials or officials appointed by the government from the department for that purpose?

Mr. WEIR (Melfort): Regular officials, permanent or temporary, but officials on the regular staff not appointed for this work alone.

Mr. VALLANCE: What particular function are they performing now?

Mr. WEIR (Melfort): They are in the live stock branch, either the poultry division or other divisions. It was felt that they would be the fairest body to handle the vote.

Mr. DONNELLY: The minister said that $20,000 was sent to Saskatchewan for the poultry pool. In connection with the men who were around the country promoting or talking about this part of the scheme to the poultry producers, are their wages paid out of this $20,000?

Mr. WEIR (Melfort): No.

Mr. DONNELLY: Who pays the wages of these people?

Mr. WEIR (Melfort): We do not know. We understand the majority of them are giving their time free.

Mr. DONNELLY: I understand they are receiving four dollars a day and all expenses.

Mr. WEIR (Melfort): Not out of this money.

Mr. DONNELLY: The impression in the country is that this is to be taken out of the $20,000. That is why I asked the minister whether their expenses and wages are being taken from the $20,000 for the marketing scheme. Where do they get their wages and expenses?

Mr. WEIR Melfort): They do not get any wages. They do get travelling expenses and also money will be used to pay for halls, and so forth.

Mr. VALLANCE: Under this scheme what percentage of the producers have to vote in favour of it in order to make it operative?

Mr. WEIR (Melfort): That is a responsibility that I have to take and it has not been felt advisable to set any definite figure.

Mr. YOUNG: What?

Mr. WEIR (Melfort): Not yet. This is the first vote of this kind that has been taken, and when the result has been submitted and considered fully, the responsibility will rest on me to decide whether I think the scheme has been sufficiently supported to warrant putting it into effect, because no scheme could be operative unless it had a very considerable support. During the debate in the committee in the house on this act I stated that I felt there had to be a very considerable majority vote for this scheme, otherwise it would be useless to attempt to enforce it.

Mr. YOUNG: Does that mean that when the ballots are counted, the minister will decide what majority is required?

Mr. WEIR (Melfort): Yes.

Mr. TOTZKE: Will a certain proportion of the producers have to cast their vote at this election before the minister will accept it as a fair vote?

Mr. WEIR (Melfort): Substantial support. I am glad the hon. member has raised that question because it reveals one of the difficulties in deciding the matter and the reason why I felt it necessary to have the whole picture before me in order to decide whether the vote was sufficiently representative. Suppose only 8,000 out of all the producers in Canada voted for the scheme and 1,000 voted against it; there might be a question whether enough producers voted in favour of it. I would think not.

Mr. TOTZKE: That matter has not been decided?

Mr. WEIR (Melfort): No.

Mr. VENIOT: Since we are on the marketing board and the west has occupied most of the evening, perhaps I may be given a few minutes to discuss the interests of the maritime provinces. I have in my hand the Canada Gazette, extra edition, Ottawa, Friday, January 18, copy of an order in council touching the establishment of the eastern marketing board for potatoes, including Ontario, New Brunswick, Prince Edward Island and Nova Scotia. I find in this order in council under clause 3, subsection (b):

> The scheme has with virtual unanimity been endorsed by forty-eight meetings of producers and dealers held at central points throughout the producing areas of the four provinces.

I claim that the statement "the scheme has with virtual unanimity been endorsed" is a misstatement and should not appear in an order in council unless the minister has had an opportunity of satisfying himself as to its correctness. How many meetings were held in New Brunswick, when, and by whom?

Mr. WEIR (Melfort): As a matter of fact we are all out of order in discussing this question for the length of time we have; it does not come under publications. So far as the eastern Canada potato scheme is concerned; it comes under a different category. Each provincial government sent representatives to wait on the dominion marketing board with the sanction of the provincial governments behind them. One of the provisions made in the marketing act is that if representations are made by local boards from different provinces with the sanction of the provincial governments they may be considered as sufficiently representative, although in addition to that certain other representations were made.

Mr. VENIOT: What local board?

Mr. WEIR (Melfort): I might say in connection with this potato marketing board that when it came into operation the price of potatoes I believe was twenty cents a barrel, and even one of the papers that was most critical of the scheme and of the whole act admitted in its marketing news on at least one occasion that the advance in price had been due to the setting up of the board. I believe the market price of potatoes was fifty cents instead of twenty.

Mr. VENIOT: At destination, where they were sold, not at the point of shipment.

Mr. WEIR (Melfort): At the same destination

Mr. VENIOT: It is fifty-five cents for an eighty pound bag at Montreal, and there is no price fixed at the place of shipment. Your board has fixed no price, therefore you cannot claim the credit. But that is not the point I wish to raise. I shall discuss this more fully under the proper item, but I am asking this question now to give the minister time to get the information so that he can answer it when we come to it again. I feel that the minister cannot answer offhand and I am not pressing for a reply at the moment. But I want to know the number of meetings held in New Brunswick and where they were

held, showing unanimity of potato growers in New Brunswick in regard to coming under this scheme.

Mr. WEIR (Melfort): I shall be glad to get that information for the hon. member. I believe the committee will agree that there has been a fair amount of time spent in the discussion of this subject, which was not really in order, but for which I am as much to blame as anyone else, if not more. I move that we rise and report progress and ask leave to sit again.

Mr. GOLDING: Before the committee rises I would ask the minister a question. There is $20,000 appropriated to Alberta, $20,000 to Saskatchewan and $10,000 to Manitoba. Has any sum at all been appropriated for Ontario? Or will there be?

Mr. WEIR (Melfort): Under similar circumstances, yes.

Mr. POULIOT: Before the committee rises I regret very much—

Some hon. MEMBERS: Order.

Mr. POULIOT: —that the minister has spoken so much about a "scheme," a scheme that smells like rotten eggs. We do not need any scheme; we want a policy, a policy to assist the farmers in the sale of their products. I will not insist upon saying any more about it, because I shall have other opportunities. But I wish to praise the minister for one thing, for the publication of a bulletin setting out the many uses of honey, which was issued after I had mentioned the decrease in home consumption of honey. He directed his staff to write a lot about the different uses of honey, and I congratulate him upon that. I do not say that I congratulate him upon his whole policy, but I think this was a wise move on his part, and that he should publish such pamphlets about every kind of food product grown by the farmers—

The CHAIRMAN (Mr. Bury): I must call the hon. member's attention to the fact that he is out of order.

Mr. POULIOT: I will not insist. I am sorry that when I praise the minister he will not allow me to do so.

Progress reported.

On motion of Mr. Guthrie the house adjourned at 9.58 p.m.

Monday, February 18, 1935

The house met at three o'clock.

BRITISH NORTH AMERICA ACT

Mr. F. W. TURNBULL (Regina) presented the first report of the special committee appointed to study and report on the best method by which the British North America Act may be amended and moved that the report be concurred in.

Motion agreed to.

HOUSING POLICY

APPOINTMENT OF SPECIAL COMMITTEE TO CONSIDER AND REPORT UPON INAUGURATION OF NATIONAL POLICY OF HOUSE BUILDING

Right Hon. R. B. BENNETT (Prime Minister) moved:

That Messrs. Morand, Bourgeois, Church, Dorion, Elliott, Ganong, Gray, Sullivan, Hanbury, Heaps, Howard, Howden, McIntosh, Peck, Plunkett, Rinfret, Stanley and White (London), be appointed a special committee of this house to consider and report upon the inauguration of a national policy of house building to include the construction, reconstruction and repair or urban and rural dwelling houses in order to provide employment throughout Canada, and also to provide such dwelling houses as may be necessary, upon such terms and conditions as may be best adapted to the needs and requirements of the people, having regard to the cost of such a policy and the burden to be imposed upon the treasury of Canada; and to recommend the manner in which such a work should be proceeded with; and to hear evidence and to send for persons and papers in regard to the matters above set out, "and that paragraph (1) of standing order 65 be suspended in relation thereto."

Motion agreed to.

PRINTING OF PARLIAMENT

Right Hon. R. B. BENNETT (Prime Minister) moved:

That the name of Mr. Rennie be substituted for that of Mr. Taylor on the joint committee of both houses on the printing of parliament.

And that a message be sent to the Senate to acquaint their honours therewith.

Motion agreed to.

INDUSTRIAL RELATIONS

Right Hon. R. B. BENNETT (Prime Minister) moved:

That the name of Mr. Rennie be substituted for that of Mr. Golding on the standing committee on industrial and international relations.

Motion agreed to.

QUESTIONS

(Questions answered orally are indicated by an asterisk.)

BRONZE AND ALUMINUM POWDERS

Mr. YOUNG:

1. Were values for duty placed on bronze and aluminum powders entering Canada from Germany in December, 1931?
2. If so what were these values?
3. Did such valuations apply to powders coming from all countries, or from Germany only?
4. What were the invoice values of these powders coming from Germany immediately prior to the setting of these values for duty?
5. What are the names of the people in Canada who asked for this additional protection?
6. What reasons did these people advance in justification of their request?
7. What investigations were made by the department as to the merits of the claim for this additional protection?
8. What investigation was made as to the possible effect of this increased protection on importers and users of these powders in Canada?

Mr. CAHAN:

1. Several exporters in Germany were advised in December, 1931, as to the values for duty purposes of bronze and aluminum powders, after individual investigations were conducted at their places of business, under Sections 35 and 36 of the Customs Act.

2. The values established pertained only to individual private companies investigated, and as all information obtained from them was covered by the pledge of secrecy, it would be a breach of faith to make it public and would be contrary to the established practice to do so.

3. The values so established by the department in December, 1931, applied on importations from individual exporters in Germany only.

4. It is contrary to the established practice of the Department of National Revenue to give information which would disclose the business of an individual or corporation.

5 and 6. When complaints are made by Canadian producers, it is the department's practice to investigate and when warranted apply the provisions of the Customs Act as to under valuation. It is contrary to the established practice of the department to give information respecting the names of firms who furnish information to the department.

7. Investigations were made at the offices of several of the largest manufacturers of these goods in Germany who were exporting to Canada, to determine the proper value for duty as contemplated by the Customs Act.

8. No investigation in Canada was necessary as the department was concerned only in seeing that duty was collected in accordance with the provisions of the Customs Act.

92582—57½

L'ÎLE-AUX-GRUES, QUE.—POSTMASTER

Mr. FAFARD:

1. What is the name of the postmaster at l'Ile-aux-Grues, county of Montmagny, Quebec?
2. What is the salary of this employee?

Mr. SAUVE:

1. Joseph Hector Lavoie.
2. $529.36.

YAMASKA AND ST-FRANÇOIS RIVERS —SOUNDINGS

Mr. DUBOIS:

1. Has the government recently or is it at present making soundings in the region of Lac St-Pierre, the Baie St-François or to the mouths of the Yamaska and St-François rivers, in the county of Yamaska?
2. If so, under the authority of what department has such work been done or is being carried on?
3. How many persons have been employed or are employed on this work?
4. What is the daily salary paid to those employed?
5. On the recommendation of what person of the county of Yamaska were persons employed or are being employed?
6. Who was or is the foreman of the works?

Mr. CAHAN:

1 and 2. Soundings are being made in the river St. Lawrence ship channel in Lake St. Peter under the authority of the Marine department. No soundings are being made by the Marine department in the region of Baie St-François or the mouths of the Yamaska and St-François rivers, in the county of Yamaska.

3. Thirty-eight persons are employed.

4. $178.65.

5. Persons from the county of Yamaska employed on the work were recommended by Mr. Paul Comtois.

6. Mr. Georges Normandin is the foreman of the work.

FARMERS' CREDITORS ARRANGEMENT ACT

Mr. FONTAINE:

1. How many farmers from the judicial district of St. Hyacinthe have availed themselves of the Farmers' Creditors Arrangement Act, from the time it was put into force, until the most recent reports?
2. How many cases have been settled since the act was made operative, until most recent reports?

Mr. RHODES:

To February 1, 1935:

1. 100.

2. 6.

GIBSON'S LANDING, B.C., RURAL MAIL

Mr. MUNN:

1. What is the name of the contractor for rural mail delivery, Gibson's Landing, British Columbia?

2. What salary does the contractor receive?

3. Were there other tenders received at the time of this appointment?

4. If so, what are the names of those who tendered and amounts of their respective tenders?

Mr. SAUVE:

1. Elphinstone Co-operative Association, Limited.

2. $450 per annum.

3. Yes.

4. Elphinstone Co-operative Association $450; J. H. Drummond, $452.40.

QUESTIONS PASSED AS ORDERS FOR RETURNS

CUSTOMS SEIZURE OF VESSELS

Mr. VENIOT:

1. How many vessels or boats were seized for violation of customs law from 1930 to the end of 1934?

2. What disposition was made of such vessels or boats?

FACTORIES AND EMPLOYMENT

Mr. BLAIR:

1. How many factories had we in Canada in July, 1930?

2. How many of these factories have discontinued operations since July, 1930?

3. How many people were employed in these factories that discontinued operations?

4. How many new factories started since July, 1930?

5. How many people do they employ?

6. What are the names of these factories, and where situated?

7. What and where are the parent companies, if these are subsidiary factories?

8. How many factories, that have started since July, 1930, have discontinued operations?

VALCARTIER QUE., UNEMPLOYMENT CAMP

Mr. POWER:

With reference to return, Reference 38, dated February 11, 1935, under the heading of question 2, the nature of the work or works carried on by the unemployed at: (a) Valcartier unemployment camp, and the reply thereto, "erection of permanent buildings," what is the nature of the said buildings, and for what use are they intended?

[Mr. Fontaine.]

UNEMPLOYMENT AND FARM RELIEF

Mr. MACKENZIE (Vancouver):

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?

CUSTOMS AND EXCISE REVENUE—RICHMOND, QUE.

Mr. LAFLECHE:

1. What was the revenue of the port of customs and excise, at Richmond, Quebec, in 1928, 1929, 1930, 1931, 1932, 1933, and 1934?

2. What are the names of those who were employed at this port during that period and what were their salaries?

Mr. CAHAN: Return tabled herewith.

MOTIONS FOR PAPERS

YOHO NATIONAL PARK MINING CLAIMS

Mr. NEILL:

For a copy of all correspondence, evidence, reports and agreements between the dominion government, or the Department of the Interior, and A. B. Trites et al, or Base Metals Mining Corporation Limited, relating to certain mining claims in the Yoho National Park during the period between the 5th day of February, 1934, and present date.

KOOTENAY PARK MINING CLAIMS

Mr. NEILL:

For a copy of all correspondence, evidence, reports and other papers and documents, passing between any member or official of the government, and any other parties, relating to the staking, recording, assessment work, or in any other way, to the Albion group mining claims, Nos. 1, 2, 3, 4, 5 and 6 in Kootenay Park, British Columbia, such return to cover the period from February 5, 1934, to date.

MURRAY RIVER, P.E.I., WHARF REPAIRS

Mr. MacLEAN:

For a copy of all correspondence, engineers' reports, and other documents, in connection with the repairs to the wharf at Murray River, King's county, Prince Edward Island, in 1934, together with a statement showing names and the amount paid in wages to each person employed, rate per hour, and the amount paid for timber and other materials; also the names and addresses of all parties from whom said materials were purchased.

MILITARY AND POLICE EXPENDITURES

Mr. F. G. SANDERSON (South Perth) moved:

For a statement of all expenditures for military and police purposes since the present government came into office in August, 1930, including expenditures for the said purposes, actual or contemplated, under the Public Works Construction Act, 1934.

Mr. BENNETT: Mr. Speaker, if this is to include buildings that were erected for the convenience of the permanent force and the mounted police I think it should say so. So far as expenditures for military and police purposes under the Public Works Construction Act are concerned, they are covered entirely by the estimates. I think there is a clear distinction. If the motion is to include these buildings it should say so.

Mr. SANDERSON: I may say to the Prime Minister that I intended to include all the buildings.

Mr. BENNETT: The buildings are not for military purposes.

Motion agreed to.

STE. ANNE DE BEAUPRÉ, QUE., PUBLIC BUILDING

On the motion of Mr. CASGRAIN:

For a copy of all papers, correspondence, telegrams, and other documents, in the possession of the Department of Public Works, with reference to the construction of a public building at Ste. Anne de Beaupré, in the county of Montmorency, to the extent of $25,000 as mentioned in the estimates for the fiscal year ending March 31, 1936.

Mr. BENNETT: Mr. Speaker, with reference to this motion and the following ones, 3, 4, 5, 6 and 7, under the rulings of successive Speakers. they are not properly upon the paper. It has not been customary to ask for nor to supply information with respect to the current year's operations or as to the extent to which action may be taken. This motion, for instance, refers to the construction of a public building to the extent of $25,000, as mentioned in the estimates for the fiscal year ending March 31, 1936. We discussed this question some time ago in this house and we concluded so far as all governments are concerned that the circumstances under which the appropriations are made in the estimates should not be discussed in the house through the production of papers between the minister and his engineers and other people who make reports, because it is not possible to give effect to every report that is made by every engineer in every part of the country. Something may seem to be important and yet it may not be possible to supply the funds. I therefore suggest that these motions be reconstructed in order that they may be dealt with in the usual manner.

Mr. POULIOT: May I submit, on a point of order, Mr. Speaker, and as a question of privilege, that the Prime Minister might wait until the hon. member for Charlevoix-Montmorency (Mr. Casgrain) is back in the house to argue the matter with him.

Mr. SPEAKER: Is it the wish that these motions Nos. 2, 3, 4, 5, 6, 7, 8, 9, 10 and 11 stand in the meantime? Then the motions will stand.

Mr. BENNETT: No. 10 is a proper motion.

Mr. SPEAKER: Stands in the meantime.

Motion (No. 2) stands.

UNEMPLOYMENT INSURANCE

MEASURE TO ESTABLISH AN UNEMPLOYMENT AND SOCIAL INSURANCE COMMISSION

The house resumed from Thursday, February 14, consideration of the motion of Right Hon. R. B. Bennett (Prime Minister) for the second reading of Bill No. 8, to establish an unemployment 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.

Right Hon. R. B. BENNETT (Prime Minister): I do not propose to trespass at any length on the time of the house. The subject matter of the bill, the second reading of which I moved some days ago, is apparently well within the minds of most members of this house. There have been universal expressions of approval of the principle of a national unemployment insurance measure; that much at least can be gathered from the discussions that have taken place. No hon. member, so far as I could hear, except possibly one, the hon. member for Labelle (Mr. Bourassa), indicated other than approval of the general principle that underlies the measure. In fact, only a very brief discussion took place in any part of this chamber with respect to the bill itself. There being therefore a universal approval of the measure, the question that was discussed at some length was whether or not it was within the competence of this parliament to enact this legislation.

It is an amazing thing that hon. gentlemen opposite should cheer so vigorously every possible reference to the impossibility of this parliament passing this legislation. Just why they should be so vigorous in their approval of every word that was said against it, and then suggest that they favoured it, I cannot understand; neither do I understand it yet. One would think that in dealing with a matter of this character every member of the house would be astute to discover some means by which the measure could be made operative if it is so much desired—and there has been universal expression of the desirability of enacting this legislation. I find it

difficult therefore to understand just why this chorus of approval of any reference by any speaker to the impossibility of parliament passing this legislation should be coupled with such a vigorous expression of approval whenever hon. members said that they were in favour of it. What was desired in the way of leaving an impression on the public mind? That the legislation would be good if enacted by somebody else, but bad because it was suggested by this government?

The leader of the opposition suggested that there were reasons why he could not enact it during his term of office. None of these reasons had to do with constitutional grounds except one: the Senate stood in his way. That was the lion in the path. And yet I observe that that stalwart, Sir Allen Aylesworth, was one who voted against the old age pensions measure.

Mr. MACKENZIE KING: I spoke of provincial jurisdiction.

Mr. BENNETT: If the Senate was the lion that blocked the pathway in those days, is it not now presumable that it would be in our power to enact the legislation if the Senate were agreeable? There were other reasons, financial in their character; the right hon. gentleman referred to difficulties he had encountered when he assumed office, and the difficulty in discharging the obligations that rested upon his party. Well, these difficulties having been removed, that lion having left the path, there was yet no evidence of any effort to introduce legislation of this kind. And the last reason, as to its being within the competence of the provincial legislatures to enact the legislation, being the explanation of the fact that his party took no steps in the matter is one which it is somewhat difficult to take seriously in view of the fact that no effort was made to amend the British North America Act which, according to statements now made, it would be very necessary to do if we were to be competent to enact this legislation.

I mention these things because it does appear very difficult to understand why in one breath hon. gentlemen should laud and approve the legislation, and in the next breath laud and approve every possible effort made to prevent its being enacted. The constitutional difficulties urged against the measure are somewhat complicated; they are complex. And yet I submit that in the end they are rather simple of understanding. Away back in 1928 when I was sitting where the right hon. gentleman now sits—I trust he will long enjoy that seat—his government introduced a measure involving the approval of a trade treaty with Spain, I think it was —I speak subject to correction as to the country—and I raised with the Solicitor General the question then as to how far under our constitution this parliament could go in infringing upon provincial rights in the making of treaties. It will be within the memory of this house that when the sockeye salmon treaty was ratified by this parliament—not having yet been ratified by the Senate of the United States—I pointed out that many of the clauses of that treaty impinged upon provincial rights; and it will be recalled that the question as to how far we might go in interfering with the exclusive powers of the provincial legislatures, by reason of the making of a trade agreement or treaty with a foreign country, was a matter about which we had no definite decision. I remember very distinctly directing attention to it, because I thought it was rather important to arrive at some conclusion with respect to the question, and I find that on April 16, 1928, I made this statement:

> That is the problem to which I direct attention, that and none other. I am not expressing beyond the casual arguments that occur to me any considered and careful opinion, because I have not had the time to look up the authorities, and I am speaking solely from memory with respect to them, but with respect to the last authority I have very peculiar knowledge, and if it follows the Tennant and the Union bank principle, that any community which is not a sovereign state may negotiate a treaty the effect of which is to deprive one of the component provinces which has exclusive jurisdiction to deal with the matters therein mentioned of the powers conferred upon it, that is a problem not yet settled, and I submit it to the committee for the purpose of engaging the attention of the law officers of the crown.

I confess I had no clear opinion with respect to that matter. I discussed it with members of the legal profession and with judges in various parts of the empire, and it seemed to be a question which was open for decision and conclusion by the court of last resort whenever a case involving the principle should reach that tribunal. And it was not until 1931 that the matter finally came up for decision.

It will be remembered that the so-called aeronautic case was one that involved an agreement made between Canada, as part of the British empire, and other parts of the world. It will be remembered that the provisions of the statute passed by this parliament are very, very detailed, embracing almost every activity in connection with aeronautics. It was contended on behalf of the provinces that that legislation was beyond our competence; it was beyond the competence of

parliament because it interfered with property and civil rights. The flying of aircraft from the standpoint of caring for crown timber, crown timber lands, with respect to landing, the acquisition of landing sites and matters of that kind, were all said to be solely within the jurisdiction of the provinces and wholly beyond the competence of parliament to enact legislation with respect to them.

When the case reached the privy council the decision was that, having regard to section 132 of the British North America Act, which has been alluded to, Canada as part of the British empire was bound by obligations incurred in the agreement to which reference had been made, and it was therefore declared that the statute was within the competence of parliament. Now that settles distinctly one problem and only one, as has been pointed out. The problem that has been settled is the problem as to the extent to which this parliament can legislate when a treaty is made by the British empire, of which Canada is a part, and to which it is a party, dealing with matters that affect this dominion; and whether or not the rights of the provinces are adversely affected is not a question for consideration. For the supreme power of this parliament to deal with these matters makes it not only necessary but imperative that the powers of the provinces under section 92 shall yield to the power of this parliament.

We thus have settled beyond peradventure or doubt a principle that was acted upon by hon. gentlemen opposite when in office—acted upon with respect to treaties and trade agreements with foreign countries, Spain, Czechoslovakia and other countries—the halibut treaty for example—and the very aeronautic statute itself, which dealt with obligations incurred by the dominion and which were at variance with the exercise of its powers exclusively by the legislatures of the provinces. So let us say that No. 1 is settled: that if there is an agreement outstanding within the provisions of section 132 of the British North America Act, which I will not trouble to read again, this parliament has supreme and complete authority to deal with the matter, and not only has the power but has exercised that power; and in consequence of the exercising of the power we have the judicial decision to which I have referred, which settles, it seems to me for all time, the question of our jurisdiction in connection with such matters.

I shall not now refer, because I did so some days ago, to the reasons given by the Lord Chancellor in delivering the opinion of the judicial committee of the privy council. He summarized in four propositions the powers of the legislatures and of this parliament. It suffices to say that no one within sound of my voice on either side of the house will, I think, challenge the proposition that where there has been an agreement, where the agreement is made by Canada under a treaty or agreement as a part of the British empire with any foreign state of authority, then the exclusive powers of the provinces must yield to the dominant power of parliament to deal with the agreement in every phase, in all of its ramifications and implications.

Mr. MACKENZIE KING: While the Prime Minister is touching upon the Lord Chancellor's decision, will he make a reference to the particular part of the Lord Chancellor's decision which he omitted in his original address and which the ex-Minister of Justice (Mr. Lapointe) dealt with in his?

Mr. BENNETT: I intended to deal with that because it seemed to be so absurd for the ex-Minister of Justice to refer to it. I could not understand why he went out of his way to mention it. The rights of minorities are rights with respect to language, religion and one other matter that comes within the authority of both the provinces and the dominion, namely education. It had nothing whatever to do with this matter. There are no minorities when you come to consider the question of jurisdiction with respect to matters of this kind because the majority rule in parliament prevails. It is not a question of the minority in a province and when the hon. gentleman a few days ago mentioned the point, I confess I could not understand why he was doing so except by reason of his usual endeavour to drag something of that sort into every debate in which he participates.

Mr. MACKENZIE KING: In the absence of the ex-Minister of Justice, may I give my right hon. friend what I think was the ex-minister's reason? It was in that part of the judgment which read:

> The process of interpretation as the years go on ought not to be allowed to dim or to whittle down the provisions of the original contract upon which the federation was founded.

Mr. BENNETT: Quite so.

Mr. MACKENZIE KING:

> . . . nor is it legitimate that any judicial construction of the provisions of sections 91 and 92 should enforce a new and a different contract upon the federating bodies.

Mr. BENNETT: That was with respect to the rights of minorities. That was what the Lord Chancellor was dealing with and the rights of minorities under the constitution are

with respect to religion, language and education. Those observations had nothing whatever to do with the question of the jurisdiction of parliament as distinct from that of the legislatures. It had to do with the question of an endeavour on the part of the federal power to whittle down the contract between the provinces and the dominion. I have heard the right hon. gentleman doubt—and I have agreed with him—as to whether it can be said that the British North America Act is wholly a contract in the sense in which that term is used. The British North America Act as it now stands is somewhat different from the resolutions upon which it is based. But it is a statute of the imperial parliament accepted by the people of Canada and has become their constitution. When we speak of the rights of minorities we speak of the rights of minorities as maintained to them by the statutes of Quebec and maintained to minorities in other parts of Canada, with respect to language as defined by an act and with respect to education having its maximum expression in what took place in the house in the year 1896.

Let us leave that proposition which I think all will agree has been established not only by competent authority but by reason, for if the British empire made a contract on behalf of Canada and Canada signed her name to that contract, obviously the draughtsman of the British North America Act when he prepared section 132 had in mind that the power to give effect to any obligation thus assumed should rest in the dominion parliament and not in a combination of the legislatures. It would be idle of course to say that this community speaking as a whole could enforce its views or maintain its obligations by each of the provinces acting even in concert, because the power is the federal power; the authority is the central authority, the national representative of the life of Canada, namely the dominion parliament.

Leaving the first proposition therefore as being firmly and clearly established, we now proceed to the second proposition whether there is within the British North America Act sufficient authority and power conferred upon this parliament to enact an unemployment contributory insurance act. I submit there is and I shall give my reasons briefly. First, a contributory insurance act is a direct taxation act and as direct taxation only is given to the provinces and taxation by any mode or form is given to the dominion, it follows that if you apply a simple test the jurisdiction must rest with the dominion. Let us apply that test. Could any province pass the bill that is now before the house? That is the first test. Could any province enact that measure? Could any province provide that there should be a contribution by the employer, the employee and the Dominion of Canada?

Mr. STEWART (Edmonton): No.

Mr. BENNETT: Of course not. Therefore, if it is a national measure there is only one power, one authority, that can divert moneys from the treasury of Canada for the purpose of unemployment insurance, and that legislature is the dominion parliament.

Mr. STEWART (Edmonton): What case are you discussing?

Mr. BENNETT: The hon. gentleman is not quite so familiar with the constitution as perhaps he should be. I shall point out to him the reasons. Let us apply this test. Here is a bill that purports to take from employer A twenty cents or twenty-one cents a week, to take from employee B twenty-one cents a week and from the treasury of Canada sufficient money to maintain the administration plus one-fifth of the joint contributions of A and B. Then it is admitted that no provincial legislature could pass that statute. It must further be admitted that no combination of legislatures could pass that statute. All the provinces in Canada uniting together could not pass that statute. Therefore there must reside somewhere the power so to do and that power rests with this parliament.

Let us look at what happened in British Columbia. In 1932 the British Columbia legislature was confronted with this very state of facts: They had competition in connection with the milk business and they found great difficulty in being able to deal with it. It was more profitable to dairy farmers in that province to sell their milk in a fluid form than to sell the products manufactured from it, so the market for fluid milk became glutted. On that state of facts the British Columbia legislature passed the Dairy Products Sales Adjustment Act in 1929, which was amended the next year and again amended the succeeding year, authorizing the appointment of an adjustment committee in any district in which the dairy farmers petitioned for one. Where a committee was appointed the farmers had to make returns to it, and a farmer selling fluid milk had to pay to the committee a levy assessed according to the quantity he had sold; the total of these levies, which together made up the difference in value of the milk disposed of in the two forms, was to be apportioned by the committee among the farmers who had sold milk products. The

expenses of the committee were to be met by further levy on the farmers. Both levies were recoverable as debts.

It will be observed that in the bill before the house it is provided that the commission to be set up under the statute shall have power to obtain from the employer and from the employee given sums per week for the purposes of the measure, the contributions of the dominion being added thereto.

In the dairy case it was held:

That both levies were taxes, and, as they would tend to affect the price of commodities, they were indirect taxes, and the act was therefore ultra vires the province having regard to section 91, head 3, and section 92, head 2, of the British North America Act, 1867; it was unnecessary to determine whether the act was invalid also under s. 91, head 2, as being for the regulation of trade and commerce. The act was not in relation to agriculture so as to be within s. 95.

Now there you have the decision of the privy council, that this levy, which was made by a provincial board, was beyond the power of the province to authorize. Inasmuch therefore as the power must reside either in the province or in the dominion, and the privy council said it does not reside in the province it must therefore reside in this parliament, as it does. There can be no doubt as to the way that matter has been put by the privy council. I am not going to address a technical argument to the house, I merely point out that they held that it was a tax, although indirect, because it was a levy against the producers of milk for the purpose of creating a fund which fund should be available for the purpose of equalizing prices to milk producers.

This legislation imposes a charge against employer and employees with a contribution from the state to create a fund from which payments are to be made as provided by the bill. Now as between direct and indirect taxes the privy council for long years have laid down certain principles which govern. They laid down in the case of Bank of Toronto v. Land a certain rule adopting the language of John Stuart Mill in part as being the correct definition of the difference between direct and indirect taxation. The tax is indirect if it would be passed on and was not a charge that the individual paid and could not pass along. So with respect to this milk case from British Columbia the judicial committee held that it was an indirect tax. Now direct taxation is the exclusive power of the provinces but taxation by any form or method is the exclusive power of this dominion. Therefore the court held in the Crystal Dairy case that the legislation of the province of British Columbia was invalid because it endeavoured to create a fund through the imposition of an impost that was a tax, an indirect tax, and therefore invalid and within the jurisdiction of this parliament and not that of the province.

Mr. POULIOT: May I ask a question of the hon. gentleman?

Mr. BENNETT: No. Next, sir, may I direct attention to the fact that in that very case attention was directed by the judgment to trade and commerce. I therefore apply the next test, a very simple test; could any legislature regulate interprovincial trade under our constitution? Could any legislature in any way, shape or form, deal with an enterprise that had branches employing say fifty people in Saskatchewan and sixty people in Alberta and one hundred in Manitoba? Interprovincial trade under our constitution is to be free and untrammelled with respect to customs. The constitution also contemplates that it shall be free and untrammelled with respect to every measure that comes within the jurisdiction of this parliament.

Mr. POULIOT: What about the Marketing Act?

Mr. BENNETT: Applying that test to the validity of any legislation passed by a province to deal with interprovincial trade, what must the answer be? The answer surely must be in the negative. Neither Ontario nor Quebec nor any other province can undertake to deal with or regulate trade between provinces. If I heard aright the observations that were made regarding this measure from hon. gentlemen opposite—and I think they all could be contained in two paragraphs—the position is this, that it is highly desirable in the national interest that we should have an unemployment insurance measure, in the interest of trade itself, for it is undesirable that there should be attempts to attract capital to one province rather than another by saying: There they have unemployment insurance, and here we have not; it is undesirable that in one part of Canada we should have one provision of law prevail and in another part shall not have it. Therefore common agreement was expressed in this house that we should have a measure that at least was similar throughout the country in order that there might be freedom of interprovincial trade, uncontrolled as far as legislation is concerned. And legislation to treat or touch upon trade and commerce

between two provinces is beyond the jurisdiction of a provincial legislature, it is solely within the power of this parliament.

The words trade and commerce have had a restricted meaning placed upon them, beginning with Citizens Insurance Company v. Parsons, but the process of interpretation has broadened during the years, and the meaning that attaches to them, as suggested in the very Crystal Dairy case to which I referred, is that there must be no interference with trade and commerce by legislation of this character which would be beyond the competence of the provincial legislature.

Now let us come to the third test. It is this. When at Paris we accepted the provisions for the League of Nations it will be recalled that a declaration was made that it was desirable in the interest not only of ourselves but internationally that we should deal with labour in the manner indicated in that treaty. I now propound this third test; Is it possible for any province to deal with international trade? Is it competent for any province to restrict the freedom of international trade? Shall this province do this and another do otherwise? That subject lies solely within the jurisdiction of this parliament. The whole problem of international trade is more or less directly involved with the question of unemployment insurance, because if one province enacts such a provision, competing with another that does not, the problem of exports and imports and international trade in the broad sense in which those words were used in the treaty of Versailles I think would be affected.

You come then to another test, which was applied in a case as old as 1897, in which my hon. friend the Minister of Justice (Mr. Guthrie) was directly interested. The Grand Trunk Railway Company had a provision by which each of its employees contracted to free the company from liability in case of injury; that is the employee signed a contract whereby he waived his right if injured in the service of the company to claim damages from the company for the injury he sustained. Then the Railway Act was amended to provide that a railway company could not do that; that the Grand Trunk Railway Company should not be permitted to ask its employees to contract themselves out of the right to claim against the company for damages in case of injury. Well, now there was a clear interference with property and civil rights. There are few things perhaps more interesting than to observe the ease with which we sometimes seize upon words without realizing the effect of them as they have been judicially construed. Frequently both lawyers and laymen are found using words in the sense in which we use them colloquially, forgetting that they have had a meaning attached to them by interpretation by the courts. Property and civil rights include contracts, and all matters of that kind are within the exclusive jurisdiction of the legislatures. But there has hardly been a statute passed in this country that has not impinged upon property and civil rights. No taxing measure enacted but in some sense affects property and civil rights. In this case to which I refer the Railway Act was held to be valid, and the power exercised when this parliament took from the Grand Trunk Railway Company the right to ask its employees to contract themselves out of a right to bring an action against their employer, the judicial committee held was solely within the jurisdiction of parliament. It is one of the interesting cases that one reads. As I recall it, the railway company was defeated by the language of its own factum. The railway company was the appellant and it alleged in the factum filed with the court that if they were not allowed to make contracts by which their servants could not sue them for damages suffered in the course of their employment it might create a situation of laxness in the service and the railway company would find itself in very difficult positions. Said their lordships of the privy council, "That ends the case, because that is an admission that this very legislation in its essence is railway legislation." What is the essence of the legislation before this house? It is not railway legislation, but it is legislation to collect a fund of money—which interferes with property and civil rights—for distribution to known persons on the happening of given events under specified contingencies.

Then what about it? Is that not conclusive? If the language used by the privy council were applied to this case it would indeed be conclusive, dealing with it from the standpoint of the power of taxation or from the standpoint of trade and commerce. But there is even a larger sense in which this legislation should be dealt with, and it is that ground to which I now desire briefly to refer, the third part of the argument which I desire to make to this house. In the radio case, which was argued after the argument and before the judgment in the aeronautics case, the privy council decided that the agreement or treaty—and keep in mind the words "treaty" and "agreement", because my hon. friend the former Minister of Justice (Mr. Lapointe) referred to it as a treaty but subsequently amended his language, because it was not a

treaty but merely a convention—between other countries and Canada involved obligations on our part that had nothing at all to do with section 132, that did not in any sense touch section 132. Canada did not sign them or create the obligations or assume the responsibilities as part of the British empire, but assumed them on her own, her own nationality, her own personality, her own position in the world. Canada signed this convention by which she bound herself with Mexico and other countries to do and perform certain things. If the argument ever could be advanced successfully in any court, with power and with effect, it was with respect to radio.

Listen to the argument made at that time. It was that this interferes with property and civil rights in the provinces, as it does. My radio set is my property. The acquisition of it involves a contract to purchase. My setting it up involves no exercise of power with respect to the dominion. It is a matter of property and civil rights, it may be said. There yonder is the system by which we send out, by the power of electricity, these voice sounds that go to other parts of the world, but we could limit that power so that those sounds need not go so far; we could limit them to lesser distances. Then you come to the question of reception, and you ask what the dominion has to do with that. This it has to do with it, that broadly speaking there can be no reception in one province that does not in some way either travel to or pass through another province or a foreign country. So when the judicial committee had to consider the matter finally they determined what? They determined that radio was a matter that, by reason of the very meaning of it, had assumed such proportions that the jurisdiction of this parliament was to be found if necessary within the residual powers of peace, order and good government. Lord Dunedin put it on that basis, if need be, and he referred to the aeronautics case. The other evening, when the hon. member for Shelburne-Yarmouth (Mr. Ralston) was referring to the power of the dominion parliament to interfere with specified exclusive points of jurisdiction mentioned in section 92 he obviously either overlooked or forgot the later decisions which decided clearly that if need be these broad residual powers expressed in the words peace, order and good government, may negative the exercise of the exclusive powers which, under section 92, are vested in the provincial legislatures. So we have the radio case, which decided that it is within the jurisdiction of this parliament, and not within the jurisdiction of any legislature, to deal with these matters.

Ah, but it went further, and it is that point to which I direct the attention of my hon. friends opposite in particular. It went much further. I was rather surprised that they should belittle the extent to which it goes, because there was a decision that completely justified the observations, for instance, made by the right hon. gentleman opposite when we were dealing with treaties. He pointed out that in 1867 no one was thinking of the treaty power. The right hon. gentleman said:

> There is just one point with regard to what my hon. friend has said. I agree with him that in negotiating any treaty the federal government should have the utmost regard for all matters reserved to the exclusive jurisdiction of the provinces, but I think my hon. friend will agree that as to the dominion and the empire as a whole, at the time the British North America Act was drafted the position with respect to treaty-making powers was not as clear as it is to-day. It is now conceded with respect to matters of primary or exclusive concern to the dominion that we have the full right to negotiate, sign and ratify a treaty which formerly might have been held to belong to the British empire as a whole. The powers of this parliament with regard to a treaty such as we are now discussing are complete in all particulars, and are not affected by the wording of the section as it appears.

That was the observation made by the right hon, gentleman in 1928, when we were discussing in the most friendly way the relative jurisdiction of this new country, exercising new powers. As Lord Dunedin pointed out in 1932, in his judgment in the radio case, when the British North America Act was being drafted in 1867 one could not have in contemplation the exercise of the treaty power now being exercised by this dominion. He went further and said that now, under the statute of Westminster, whatever difficulties may have been experienced in the past it is now clear that the parliament of Canada has the power to deal with those matters. And if, in dealing with them, either under peace, order and good government or under the exclusive power of trade and commerce, it is necessary to impinge upon, to lessen or restrict the rights of provinces, those rights must fall for, as was pointed out by Lord Dunedin, it is clear that the great body of Canadians cannot speak through the voices of the provinces, whether they speak in unity or not; it is this parliament that speaks for and represents the people of Canada; it is this parliament, representing all the people of Canada, and not the voice of the provinces united in terms of resolutions, whether or not they agree. It is not a majority of all the provinces that constitutes jurisdiction. With respect to national matters jurisdiction is found in this parliament.

exercising all the powers that can be exercised in the fullness of the jurisdiction conferred upon it by the act of 1867, and more by the decisions that have grown up under it and still more by the customs and the practices that have grown up as well. So that applying the last test I have mentioned to this legislation I say it must be agreed that in all points it falls solely within the jurisdiction of the parliament in Canada.

Now let me go further. The main part of the arguments against this legislation had to do with opinions expressed by people from time to time, including opinions of my own that were quoted. As one of the hon. gentleman was proceeding, two cases came to my mind. I quite understand members of this chamber who are not lawyers wondering what it is all about, quoting something one man thought yesterday and something else he thinks to-day. Law is a progressive science; there is no science more so, and I am going to give two illustrations that happened in my own practice. I do so because it happens that I am able to speak with authority with respect to them. In the early thirties in the province of Ontario they passed a law dealing with chattel mortgages and the rights of those who purchased after a chattel mortgage had not been renewed. That legislation was re-enacted with some slight variations in Manitoba, Saskatchewan and Alberta. About 1925, I think, I was acting as solicitor for a client who came in and said, "We failed to file the renewal statement of our mortgage, and someone else purchased the property. Have we a right to recover from him the price, on the ground that he knew the mortgage was there and that the property had been mortgaged?" The decision of one judge in Alberta was that he had no right. The decision of one judge in Saskatchewan, and ultimately of the appellate court of that province, was that he had no right. Then came the province of Manitoba, in which a full court decided he had no right. I thought that was bad law. I advised that we go ahead with the action. The chief justice decided in our favour; the appellate division decided against us. They felt bound by the decisions. I then went to the Supreme Court of Canada, and during the progress of the argument one of the learned judges said, "The judges of Ontario have decided this and we are very proud of our judges. They have decided adversely to the appellant's position. It is a very bad thing to change law that has been in force in the maritimes and in the west for sixty-five years."

[Mr. Bennett.]

Nevertheless, largely governed by a suggestion made to me by a younger associate with whom I discussed the case we pressed the appellant's case and the Supreme Court of Canada decided we were right. The result was that there was overruled, and made bad law, law which had prevailed for years.

I have used that to illustrate the point I desire to bring to the attention of the house, namely that when opinions are expressed by counsel they express those opinions because of one of two reasons, either that such and such is the law by decisions, or that "this should be the law, as I read the decisions." The client determines then as to whether or not he is willing the second course should be pursued. In the first instance you give your opinion that the decisions are settled beyond all question, and that is the end of it. In the other case you say, "I think these decisions are unsound"—and you press your case before the courts.

I had another case which was much more difficult, a case the memories of which still linger in the courts. For a few months I was Minister of Justice in this country, and during that time there came before me the necessity for appointing judges, under a statute that had recently been passed by the legislature of Alberta. Reading the statute I came to the conclusion that I had a complete and unfettered right to make such recommendations as I thought desirable. I proceeded to do so. I changed the positions of two of the judges, one being the chief justice of the trial division and the other the chief justice of the appellate division. I changed their former positions. The statement was made that my action was illegal, and when we went out of office the then Minister of Justice stated a case for the opinion of the Supreme Court of Canada. The supreme court, divided, but was of the opinion that the action was illegal. I then obtained leave from the privy council to appeal, and during the hot days of July we argued the case. In October of that year the privy council decided that we were right.

I believe I have illustrated clearly the point I wish to make here. I have no hesitation in saying to this house that with respect to this matter I gave it careful and, shall I say, continuous consideration when I concluded that we had to deal with it as a concrete matter.

Then, I should like to say a few words with respect to one other phase of the subject. I wrote a letter in September last. Of course I did. I wrote a letter inviting the premiers

of this country to come here to discuss this question. It is said I referred to their exclusive jurisdiction. So I did, for that is the position they had taken. That is the position which they had taken—excepting one of them—with us on former occasions. The question which was to be considered was the very question which the ex-Minister of Justice read. My statement of it did not say that was my view. It was an indication of what we had to discuss. I have still to hold that one's views must be modified by the circumstances and facts of each particular case which comes before him, when he is dealing with a question of law. The facts were as the letter stated. The Prime Minister stated their positions as they had put them—and as I suppose some will continue to put them. Yet, when the province of Ontario presented its case before the privy council, through its deputy attorney general, it presented a view which was quite the opposite to that which was presented by some of the other provinces.

Mr. STEWART (Edmonton): What case was that?

Mr. BENNETT: The case in which the question of a convention came up, in which the late Mr. Bayly, acting as deputy attorney general for the province of Ontario stated his position that when a convention made by the Dominion of Canada was ratified, then the dominion had complete and absolute jurisdiction with respect to it. That is the position I desire to try to make clear to this house.

The legislation which is submitted to parliament is legislation which we believe to be constitutional, for the reasons which I have given. Then, further, I had almost forgotten to mention that we have been asked why we did not ask for the ratification of a convention passed in Geneva in 1934. The only reason is this, that the convention does not come into force—because it was drafted only in June 1934—it does not come into force until twelve months after two countries have ratified it. Therefore, so far as we are concerned, we would be dealing with a convention which was not in force. The order does not expire until June, 1935. The terms of the convention itself are those which make provision for a unitary state, but provide also for the enactment of legislation with respect to three matters of social concern. But there was another reason, namely the difficulty of separating insurance from the other branches of the convention, and the undesirability of leaving any doubt with respect to the constitutionality of the statute, upon the grounds to which I have referred.

I can only say that there are other grounds to which I might refer. There are numerous other authorities which I could draw to the attention of hon. members in this house but I believe by doing so I would be serving no useful purpose. Legal decisions are constantly expanding, in view of the various implications and various sets of facts. One set of facts involves one decision; another set of facts involves another decision. The principles that govern are eternal, but the application of those principles is as variable as time itself. There have been so many illustrations of that point I shall not do more than bring to the attention of hon. members one more outstanding case in which property and civil rights was summarily dealt with, namely that connected with the Scott Act. There you had this parliament legislating in the smallest detail under the Canada Temperance Act, known as the Scott Act. Well, the privy council held it was intra vires of the power of this parliament, and a proper exercise of its powers. Some years later we find the McCarthy Act, in which Mr. McCarthy endeavoured to enact a statute which would deal with the licensing in the hands of the dominion. When it was referred to the privy council they decided it was ultra vires and not within the powers of this parliament. So you have commencing away back many years ago, with the King v. Russell, which came from the city of Fredericton, down to to-day, an ever expanding body of law, the application and interpretations of which have been modified by the conditions under which we live, expanding at times, and contracting at times. The change has been always constant in this respect, however, that the supremacy of the central power must continue, even though provincial rights for the moment may be in the ascendency. There has always been, in every decision of the supreme court or the privy council, the realization that the voice of Canada is the voice of this parliament, and not the collective voices of its provinces. When we consider, as we must, that the collective legislatures could not enact this legislation—could not enact it—when we consider that they could not by any possibility secure a contribution from the dominion treasury, and could not by any possible stretch of their powers enact taxation legislation by collecting contributions and placing them in a pool so that the sum might be made available for the unemployed; when you go farther and realize and admit, as you must, that neither interprovincial nor external trade can be affected by a provincial act, and when you go farther and realize that property and civil rights must

yield to peace order and good government, and to trade and commerce, wherever it becomes essential that the supremacy of the central power must be maintained with respect to national matters —and it is apparent that unemployment insurance must be a national matter—then I submit we must realize that this legislation is within the competency of this parliament. Under that emergency and under those conditions I submit to this house that this legislation is wholly within its power.

I realize of course the uncertainties of opinions expressed by counsel learned in the law. Only some few years ago an ex-chief justice of this country standing in this chamber expressed an opinion with certainty as to the constitutionality of the method of construction to be adopted in connection with the Calgary and Edmonton land subsidies. The courts of this country had held that mines and minerals did not pass under the grant made to the railway company, and yet the privy council a few days after that very statement reversed the decision of the court and held that the observations thus made by the law officers of the crown were incorrect. I know the uncertainties; I realize them and I appreciate them, but all I can say is that I believe that men trained in the law who take the trouble to study all the decisions, and realizing the purpose for which this legislation is now offered to this house and the necessity of having it extended to every part of the dominion, and the necessity of having uniform legislation so that benefits of the same character may be conferred alike upon the people of British Columbia and Nova Scotia, and realizing that the peace, order and good government of this country should be maintained by the paramount authority of this parliament, will conclude that the legislation is within our jurisdiction.

Just one other remark. The right hon. gentleman has said that this legislation either consciously or unconsciously was intended to deceive and delude those for whose benefit it is being enacted. I think upon reconsideration he will conclude that that is not correct. He says that they have asked for bread and they are offered a stone. I propose, Mr. Speaker, to ask this parliament to vote, whether or not those who allege that this is a stone are prepared to associate with us on this side of the house, and to declare that this is bread, and very solid bread too.

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

YEAS

Messrs:

Ahearn	McPhee
Arsenault	Manion
Arthurs	Marcil
Barber	Michaud
Beaubier	Mitchell
Belec	Motherwell
Bennett	Mullins
Blair	Mulock
Bouchard	Munn
Bradette	Murphy
Brasset	Myers
Brown	Neill
Bury	Perley (Qu'Appelle)
Cantley	Perley, Sir George
Cardin	Pettit
Carmichael	Plunkett
Charters	Porteous
Chevrier	Price
Coote	Quinn
Davies	Reid
Dickie	Sanderson
Duff	Shaver
Esling	Short
Fournier	Simpson
Fraser (Cariboo)	(Simcoe North)
Ganong	Smith
Gardiner	(Cumberland)
Garland (Bow River)	Speakman
Garland (Carleton)	Spencer
Gershaw	Sproule
Gobeil	Stanley
Golding	Stewart
Goulet	(Edmonton West)
Hanbury	Stewart (Leeds)
Hanson (Skeena)	Stewart (Lethbridge)
Hanson	Stirling
(York-Sunbury)	Stitt (Nelson)
Hay	Stitt (Selkirk)
Heaps	Sullivan
Howden	Sutherland
Kennedy	Swanston
(Peace River)	Tétreault
King, Mackenzie	Thompson (Lanark)
Loucks	Totzke
Luchkovich	Turnbull
Macdougall	Veniot
MacMillan	Weir (Melfort)
(Mackenzie)	Weir (Macdonald)
Macphail, Miss	White (London)
McGillis	White (Mount Royal)
McGregor	Willis
McIntosh	Woodsworth
McKinnon	Wright—101.
McLure	

Mr. McDADE: I was paired with the hon. member for Laprairie-Napierville (Mr. Dupuis). Had I voted, I would have voted for the motion.

Mr. MOORE (Châteauguay-Huntingdon): I was paired with the hon. member for Chicoutimi (Mr. Dubuc). Had I voted, I would have voted for the motion.

Mr. COTNAM: I was paired with the hon. member for Nipissing (Mr. Hurtubise). Had I voted, I would have voted for the motion.

Mr. MacDONALD (South Cape Breton): I was paired with the hon. member for Colchester (Mr. Urquhart). Had I voted, I would have voted for the motion.

Mr. ROWE: I was paired with the hon. member for Beauce (Mr. Lacroix). Had I voted, I would have voted for the motion.

Mr. CASSELMAN: I was paired with the hon. member for Sherbrooke (Mr. Howard). Had I voted, I would have voted for the motion.

Mr RYERSON: I was paired with the hon. member for Norfolk-Elgin (Mr. Taylor). Had I voted, I would have voted for the motion.

Mr. GAGNON: I was paired with the hon. member for Bellechasse (Mr. Boulanger). Had I voted, I would have voted for the motion.

Mr. ST. PERE: I was paired with the hon. member for South Hastings (Mr. Tummon). Had I voted, I would have done so in favour of the principle of the bill.

Mr. JOHNSTONE: I was paired with the hon. member for Willow Bunch (Mr. Donnelly). Had I voted, I would have voted for the motion.

Mr. BUTCHER: I was paired with the hon. member for Portage la Prairie (Mr. Burns). Had I voted, I would have voted for the motion.

Mr. BEYNON: I was paired with the hon. member for North Waterloo (Mr. Euler). Had I voted, I would have voted for the motion.

Mr. ROBINSON: I was paired with the hon. member for Portneuf (Mr. Desrochers). Had I voted, I would have voted for the motion.

Mr. ELLIOTT: I was paired with the hon. member for South Waterloo (Mr. Edwards). Had I voted, I would have voted for the motion.

Mr. MacLEAN: I was paired with the hon. member for Royal (Mr. Jones). Had I voted, I would have voted for the motion.

Mr. MacNICOL: I was paired with the hon. member for South Oxford (Mr. Rennie). Had I voted, I would have voted for the motion.

Mr. MERCIER (Laurier-Outremont): I was paired with the hon. member for South Toronto (Mr. Geary). Had I voted, I would have voted for the motion.

Mr. BOTHWELL: I was paired with the hon. member for Hastings-Peterborough (Mr. Embury). Had I voted, I would have voted for the motion.

Mr. VALLANCE: I was paired with the hon. member for Wentworth (Mr. Wilson). Had I voted, I would have voted for the motion.

Mr. SIMPSON (Algoma): I was paired with the hon. member for Charlevoix-Saguenay (Mr. Casgrain). Had I voted, I would have voted for the motion.

Mr. GUTHRIE: I was paired with the hon. member for Quebec East (Mr. Lapointe). Had I voted, I would have voted for the motion.

Mr. GORDON: I was paired with the hon. member for Rimouski (Sir Eugene Fiset). Had I voted, I would have voted for the motion.

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

Mr. POULIOT: I was paired with the hon. member for Brant (Mr. Smoke). Had I voted, I would have voted against the motion.

Mr. SAUVE (Translation): I was paired with the hon. member for l'Assomption-Montcalm (Mr. Séguin). Had I voted, I would have voted for the second reading of this bill.

Mr. DUPRE (Translation): I was paired with the hon. member for Joliette (Mr. Ferland). Had I voted, I would have voted for the second reading of this bill.

Mr. BERTRAND (Translation): I was paired with the hon. member for Toronto Northeast (Mr. Baker). Had I voted, I would have voted for the second reading of this bill.

Mr. LAFLECHE (Translation): I was paired with the hon. member for Drummond-Arthabaska (Mr. Girouard). Had I voted, I would have voted for the second reading of this bill.

Mr. SPEAKER: Mr. Bennett moves that the house go into committee on the bill.

Mr. POULIOT: Before the motion is carried, may I give some explanation about my vote.

Mr. SPEAKER: The hon. gentleman cannot give an explanation on this motion; the motion is not debatable.

Motion agreed to and the house went into committee, Mr. Smith (Cumberland) in the chair.

On section 1—short title.

Mr. POULIOT: In a Canadian Press dispatch published in the morning papers to-day I read that the right hon. the Prime Minister said in New York on Saturday last that reform policies without international trade might be of little use. This, sir, is the first reason why I would have voted against the bill, because so long as our international trade is blocked by high tariff walls, this so-called social legislation is of no use, although I am in favour in principle, as my hon. friend from Hochelaga said, of unemployment insurance. That is my first point.

My second point is again from a quotation from a speech delivered not long ago in this house by the Prime Minister. He said last week that this is not a relief measure; thus it will bring no help to the hundreds of thousands who are actually unemployed. It is just an insurance measure which will bring no assistance to those who are now unemployed, it cannot be called a relief measure, even the Prime Minister did not call it so. That is the second reason why I would have voted against it.

There is another reason why I would have voted against the bill although I am in favour of the principle of unemployment insurance. As it is submitted now to this house it is perfectly useless. Let us read section 132 of the British North America Act:

> The parliament and government of Canada shall have all powers necessary or proper for performing the obligations of Canada or of any province thereof as part of the British Empire towards foreign countries arising under treaties between the empire and such foreign countries.

At the time this provision was enacted Canada was not yet free to sign her own treaties. Treaties were voted upon by the parliament of Canada but they were signed by the representatives of Great Britain. For the first time a few years ago the hon. member for Quebec East (Mr. Lapointe), then Minister of Marine, signed the halibut treaty as representative of Canada; it was the first step in that direction. But to understand the meaning of section 132 of the British North America Act we must go back to the time when it was passed. Canada did not then enjoy the freedom it does now under the statute of Westminster. I heard the Prime Minister a moment ago say that the supremacy of the central power will be recognized by the courts. A distinction should here be made. This parliament is supreme within the bounds of its jurisdiction, as the provincial legislatures are also supreme within the bounds of their own jurisdiction. There is a supremacy in each domain. There are certain things that this parliament alone can do, and there are other things that the provinces alone can do.

I admit that since this government has taken office there has been quite a mix up in the jurisdiction, either federal or provincial, in this country. But if we interpret this legislation from a strictly legal point of view, we have to consider sections 91 and 92 which give exclusive jurisdiction on the one hand to this parliament and on the other to the provincial legislatures. I am not going to repeat what has been said by the hon. member for Quebec East (Mr. Lapointe) and the hon. member for Shelburne-Yarmouth (Mr. Ralston), but the point that is to be made in this regard is that it is not because a convention has been signed by Canada that the provinces are necessarily bound by it. We have the proof of this in the fact that the previous government did not take and would not have taken action on that, as was said by our leader, without consulting the provinces. The convention was signed on behalf of Canada subject to the approval of the provinces, without which approval no legislation such as that before the house now is possible. After having made a careful study of the constitution of this country and of the jurisprudence which interprets it, I have come to the conclusion that no tribunal will declare that the legislation which is now submitted to us is intra vires. Any judge, free from political affiliation, with a free mind, will hold that this legislation is ultra vires of this parliament.

Therefore, following the argument of the Prime Minister, let us take A, the employer, and B, the employee; each one of them pays so much a week during forty weeks for this unemployment insurance. Does the right hon. gentleman think for a moment all the manufacturers and employers in Canada will abide by his word when he says: Parliament is supreme and we are empowered to pass any legislation we wish, even contrary to the constitution. This legislation will surely be brought before the courts and there is no court that will declare it intra vires. But in the meantime we shall have elections and the Prime Minister, his colleagues, his supporters and his ambassadors will say: This is what we have done for the unemployed; we have given you unemployment insurance. Forty weeks! In the meantime we shall have elections. For the time this legislation will be approved by the Governor General until the election day, canvassing will have been done throughout the country. After the legislation is declared ultra vires by the courts, the Prime Minister, who will then be

leader of the opposition if he succeeds in being elected in his constituency will say: This is not my fault; the judiciary have given a wrong interpretation to my legislation; but I did my best; I submitted it to the House of Commons; it was passed by the house and by the Senate and approved by the Governor General; I can do no more; it is not my fault. In the meantime it will be used as an argument for canvassing people who are in distress. The government will tell them: Get a job for forty weeks and then you will have a substantial income that will be paid to you, part by the exchequer of Canada, part by yourselves and part by the employer.

I do not believe in that sort of thing. The Prime Minister said somewhere in Montreal or over the radio: the old order is gone. This is not a new order; it is the old insurance scheme. The only difference is that it is made compulsory by the government. This is the same old story. The government which was in the farming business with the marketing act is now in the insurance business. There is no trade that is not taken on by these masqueraders. Formerly they were farmers, growing different products under the marketing act and now they are insurance agents. They tell us seriously: It is a good thing. Can we believe them?

I have another reason for opposing this legislation and it is that the Prime Minister said that Canada had reached the limit of her credit. Yet people are now going to be taxed anew for this scheme which will not be for the benefit of the actually unemployed. Had such a scheme been presented to the house in the special session of 1930 when the tariff was raised and when the Prime Minister said: We have received a promise from the employers that they will not reduce their staffs and will pay better wages with an increase in the tariff; had this social legislation, this unemployment insurance scheme been presented at that time I would perhaps have voted for it because I foresaw the ill results of the increase in tariffs. I am the freer to declare myself against this legislation because, as I have already said, at the special session of 1930 when Mr. Speaker asked the house whether the motion of the Prime Minister to increase tariffs was approved, I said: On division. I was perhaps not alone; may be one or two other members on my side said the same thing. I contend I am right now when I declare myself strongly against it. Sir, this is another instance of bluff, humbug and mirage. The government are not serious, they are angling for votes and this is bait. I look upon it as bait and I do not swallow it.

The Prime Minister mentioned a judgment of the Privy council in the Crystal Dairy case, in which there was a reference to John Stuart Mill and his views about direct and indirect taxation. At page 415 of vol. 2 of his Principles of Political Economy—a very good book which I highly recommend to members of the government—it is said that:

> Taxes are either direct or indirect. A direct tax is one which is demanded from the very persons who it is intended or desired should pay it. Indirect taxes are those which are demanded from one person in the expectation and intention that he shall indemnify himself at the expense of another; such as the excise or customs.

I wonder if that is the quotation approved by the privy council. It is a very clear distinction. May I submit that the legislation with regard to taxation has been most embarrassing for many years, because it has been a cause of widespread confusion. What I would ask of the Prime Minister and his colleagues is to submit this legislation to the Supreme Court of Canada in order to have the opinion of the highest tribunal in this country on it. I will make no motion in that regard, but in view of the decisions which have been quoted by the hon. members for Quebec East and for Shelburne-Yarmouth I want to have the opinion of the judiciary upon this legislation. It could have been submitted a long time ago if it had been ready; now that it is ready may I insist upon that suggestion? We should have then the view of the court, and if the highest court in this country decides that this legislation is intra vires I may support it. On the other hand if the court declares that it is ultra vires then the government of the day will have to get the consent of the provinces in order to make it valid. That course would show the government's sincerity, if the government are sincere all they have to do to clear the sky is to submit this legislation to the Supreme Court of Canada. Therefore I ask the Prime Minister if he is ready to move that the committee should report progress in order that the whole matter be submitted to the supreme court and that the members of the House of Commons shall be informed of the opinion of the judiciary on that matter.

Mr. WOODSWORTH: I have no desire whatever to enter upon the legal aspects of the matter; these have, I think, already been dealt with by the lawyer members of the house. But there are some other phases to which I should like to refer. The legislation

before us is designed, I understand, to implement the terms of the treaty of peace. I notice in part XIII of that treaty this statement:

Whereas the League of Nations has for its object the establishment of universal peace, and such a peace can be established only if it is based upon social justice;

I think it must be admitted by all hon. members of this house that although there may be many desirable features included in this legislation it falls very, very far short of conforming with the establishment or reign of social justice. That ought to be kept clearly in our minds. Further, looking at article 427 of the peace treaty, referred to in the preamble to this bill, I find this statement:

The high contracting parties, recognizing that the well-being, physical, moral and intellectual, of industrial wage-earners is of supreme international importance, have framed, in order to further this great end, the permanent machinery provided for in section 1 and associated with that of the League of Nations.

And it goes on to speak of principles that are of urgent importance. Social insurance may be derived from one of the principles enunciated, but this legislation before us does not by any means cover the field. I should be very loath to allow this opportunity to pass without saying that all the arguments of the Prime Minister in favour of it apply equally to all these other clauses of the peace treaty. I should like to enumerate these:

First—The guiding principle above enunciated that labour should not be regarded merely as a commodity or article of commerce.

In practice labour is regarded as a commodity or an article of commerce. If there is not sufficient work to go around labour is turned off with only the dole. That is the actual situation to-day. Again in fixing the price of labour no regard is had to the conditions necessary to maintain the labourer and his wife and family in a state of well-being.

Mr. HANBURY: Even according to the government's own scale.

Mr. WOODSWORTH: Yes, even according to the government's own scale. So that in practice to-day labour is regarded as an article of commerce or a commodity. There is nothing in this legislation that would in any way safeguard labour in that regard.

Second—The right of association for all lawful purposes by the employed as well as by the employers.

[Mr. Woodsworth.]

I submit that all over this country men are being discriminated against for no other reason than they attempt to belong to a labour organization. There is absolutely no safeguard. I have tried to secure the assistance of my legal friends in an effort to devise a sort of bill of rights for labour in Canada. They tell me that is contrary to the whole spirit of British legislation. It may be that in Great Britain they can depend upon the common law, but in this country I take it we ought to have some very definite statute law in order that the rights of workingmen may be protected. There is now no provision whatever in that regard. My fear is that there are certain sections of this bill, with regard to insurance being given to men only when they are willing to take work, that may very easily still further militate against their right to free association in their own unions.

Third—The payment to the employed of a wage adequate to maintain a reasonable standard of life as this is understood in their time and country.

Again I would emphasize what I have pointed out again and again through the years in this house, that the average wage paid the great majority of the workers of this country is less than is necessary to maintain a decent standard of living. That was clearly shown in the figures given by my hon. friend from Bow River (Mr. Garland) the other day, based on the statistics obtained from the last census, in comparison with the standards of living as laid down by the Department of Labour. There is nothing in this legislation to safeguard the workers in this regard, and since the workers are to be taxed for their contributions to the insurance fund, if their wages are already below the necessary standard this may very easily work a very great hardship upon them or their families.

Fourth—The adoption of an eight hours day or a forty-eight hours week as the standard to be aimed at where it has not already been attained.

I am glad to think that this standard, laid down as the minimum some sixteen years ago, at last is being regarded as a standard to be aimed at in Canada. The same thing might be said with regard to the next provision:

Fifth—The adoption of a weekly rest of at least twenty-four hours, which should include Sunday wherever practicable.

And the next:

Sixth—The abolition of child labour and the imposition of such limitations on the labour of young persons as shall permit the continuation of their education and assure their proper physical development.

Again I would point out that some of the revelations made before the price spreads committee are sure indications that in this country we have many industries in which child labour is still employed, and apparently there is no safeguard for the young workers. I would suggest to the Prime Minister that if it is for the good of Canada that this insurance legislation should be introduced surely it is for the good of Canada that we should absolutely abolish all child labour in this country. If it is competent for the government of Canada to introduce legislation of this kind I think it is surely competent for the government of Canada to introduce legislation that will effectively prohibit child labour in every part of the country.

Seventh—The principle that men and women should receive equal remuneration for work of equal value.

There is no attempt made to observe that provision; in fact I think there are certain clauses in the bill under consideration which rather take the opposite for granted and give a smaller amount to the women than to the men. I do not know whether this is on the ground that women's stomachs may be smaller than men's, and consequently they should be given less in the way of benefits. It may be that the government will seek to get out of this dilemma by suggesting that women's work is not of equal value. It does not seem to me that this measure is in keeping with the principle.

Eighth—The standard set by law in each country with respect to the conditions of labour should have due regard to the equitable economic treatment of all workers lawfully resident therein.

That is not so to-day. It is not so with regard to our existing old age pension measure; it is not true with regard to the giving of certain licences to certain classes of residents of Canada while denying them to other workers.

Ninth—Each state should make provision for a system of inspection in which women should take part, in order to ensure the enforcement of the laws and regulations for the protection of the employed.

Again I would say that while we have women inspectors in certain of the provinces, such inspection is altogether inadequate, and certainly so far as I know the dominion government has not undertaken in any way to see that this inspection is carried on in such a way as generally to safeguard the interests of employed women.

I have ventured to read these clauses simply because I do not think it is generally recognized in this country, and certainly it is not recognized by the employers in this country, that we are under obligation to try to live up to the clauses of that treaty. I remember some years ago being at a board of trade meeting which was addressed by a British member of parliament. Sitting near me was an employer of labour, who simply laughed at the idea that Canada should be bound to live up to the obligations of the treaty of peace, and in practice I am afraid that has been the attitude of altogether too many Canadian employers.

We have had a good many quotations by legal gentlemen. I should like to give a brief quotation by Doctor Brodus Mitchell, associate professor of political economy at Johns Hopkins university. In the February number of Current History will be found a very interesting article entitled Social Insurace is not Enough. I thought of this article when I heard the Prime Minister stressing the fact of this system being actuarially sound. Mr. Mitchell says:

Social insurance is not enough because of fundamental defects in our prevailing mode of producing and distributing wealth. No insurance plan can be more solvent than the economic structure upon which it rests. Insurance means converting individual uncertainty into collective certainty. But when we try to include the great mass of the population we suddenly discover that there is no social certainty. In other words, when we make the sum of the risks practically identical with the social causes of those risks insurance becomes impossible.

Then Doctor Mitchell quotes from another writer who will be recognized as an authority by all social workers, Mary Van Kleek, who says:

Insurance conceived as provision in advance for needs which, though not foreseeable for the individual are measurable for the social group, breaks down when needs are no longer foreseeable on the basis of past experience but are expressed in a change of social trends.

There is the practical difficulty to-day. Our social trends have varied so greatly in the last few years that it is quite impossible for the very best actuaries to determine what are going to be the risks involved, and I submit that with the increased unemployment which is prevalent all over the world—I am not referring to local matters at all—and with the increased tendency towards unemployment, for the future no insurance scheme that is going to be of any great value to the workers can be placed on anything like an actuarially sound basis. We cannot foresee the future to that extent.

When this measure was first brought down I felt very strongly that the main objection to it was that it did not provide for the most needy of the unemployed. The Prime Minister made it very clear that this was a measure for those now in employment, that it did not touch the men and women now unemployed. I could conceive that you might consider these two as belonging to different classes, but in practice we cannot separate those at present employed from those unemployed; and indeed we should not try to separate them. The problem is quite indivisible, and we should consider it as one. This government were not elected on their promise to help out with an unemployment insurance scheme for those now employed; they were elected very largely because of their promises to help the unemployed, and this measure does not touch that very large class of our community. No misunderstanding should be allowed with regard to the scope of this legislation. Further than that, according to the Prime Minister's own statement, and as shown in the measure itself, we know that it does not touch the employed classes which most need help, those engaged in fishing and trapping in the lumber camps, in the construction camps and so on. They do not come under the provisions of this measure, yet are the people who most need help. I protest against this committee being asked to adopt a piece of legislation which, however good in itself, touches only the fringe of the problem confronting us.

The Prime Minister in one of his radio addresses said:

> However few or many unemployed we normally have no man must be left to the uncertainties of private charity or to the humiliation of government gratuity.

So far as I can judge, this measure leaves these large numbers of unemployed entirely to the uncertainties of private charity and the humiliation of government gratuity. It is quite true that so far the government is making no provision for the dole; the Prime Minister has denounced the dole. But unless the government does accept the dole, or unless the obligation is loaded on to the provinces and municipalities, large numbers of people will have to face the situation the Prime Minister described. May I be permitted to quote the Prime Minister again, because in these observations it seems he understood the larger problem:

> When because of fluctuations in industrial conditions, the worker is thrown out of employment he should not be punished when the fault is that of the machine, for whatever is the cause of these depressions, whoever is to blame for them (if anyone is to blame) assuredly it is not the workman. If he is able and willing to work, but can get no work, provision must be made for his security in a decent way.

Then he goes on to say:

> By this I do not mean the dole. The dole is a rotten thing. It is alike an insult to the worker and to those who profess to have control of our industrial system.

That was said by the Prime Minister in one of his radio speeches, and I submit the underlying principles enunciated therein are fundamentally true. That is, the workman is out of work through no fault of his own, and if so he should not be left to the dole. Provision should be made for his security, in a decent way. Under this measure, however, no such provision appears. I do not believe we ought to proceed simply to deal with the particular clauses of the bill without in some way coming to some understanding as to what is to be done for that larger number of people who are left entirely outside its provisions.

Then there is this further consideration: This is a contributory scheme. I should like to ask the government whether it would be at all possible for the great majority of the already underpaid workers to make such a contribution as is herein provided. Personally I do not think it could be done, without a great deal of hardship. How can a man who is to-day receiving less than the amount necessary to maintain a decent standard of living, the standard set by the Department of Labour itself, take weekly from his earnings an amount to be placed in such a fund as suggested in the bill. I do not think it can be done.

Further, I should like to deal with a legal point. To-day the Prime Minister admitted that a contribution of this type was in the nature of a tax; I wonder whether it is an equitable tax. Only a few days ago the Prime Minister enunciated the principle that taxation should be imposed in accordance with the taxpayer's ability to pay. But this tax, levied as a contribution, and to be paid on a flat rate, entirely disregards the ability of the taxpayer to pay. In this connection I should like to quote Mr. Homer Folks, Secretary of the State Charities Aid Association of New York, as given before the national conference of social work held at Detroit in 1933. Comparing the British health insurance scheme with a similar service supplied by a public fund, which is in reality a socialized health service, he said:

Its—

The British health insurance scheme.

—cost is carried, roughly, 40 per cent by the insured persons, 40 per cent by their employers, and 20 per cent by the government. As to the insured persons' payment (as well as the employer's), it is in no sense a voluntary contribution. Money which the government requires us to pay periodically is actually a tax; in this case it is a special tax. There is an appreciable cost in the collection of a special tax.

Both the British health-insurance fund and a public-relief fund, then, are derived from taxes. There are important differences in the incidence of these taxes, in addition to the fact that one of them is special and the other general. The British health-insurance tax is a uniform tax upon all those included within its benefits. They all pay the same amount, whether their incomes are near the maximum included or whether they are among those receiving the lowest wages. Their tax is not assessed in proportion to their individual ability to pay.

The criticism by Mr. Homer Folks as applied to the British act applies also to the proposed Canadian legislation.

The scheme as enunciated is a compulsory contributory scheme. A great many of us have felt that the time for such a scheme has long since passed. We have felt that it will not materially help the unemployment crisis, and we have been advocating what has been termed a non-contributory unemployment insurance scheme.

I frankly admit that the expression "non-contributory insurance" is somewhat a misnomer. Ordinarily we think of insurance as being contributory, and yet I have noticed that from year to year some big companies who do not insure with the standard insurance companies set aside a certain amount which they regard as their insurance. If a building belonging to the corporation is burned they draw upon the fund. It is a definite amount of money set aside and is often popularly known as an insurance scheme.

Without quibbling over terms I believe the time has come when in Canada we ought to have a scheme based not upon contributions from the employer, the employee and the state but one furnished by the state or, perhaps better still, by industry. It would be contributory, if you like, so far as industry is concerned, but non-contributory so far as the employee is concerned. In that connection I should like to place upon the record a motion passed by the city council of the city of Winnipeg and forwarded to me by the city clerk. The letter, dated January 29, 1935, quotes the following resolution, which had been passed the previous evening:

Whereas the municipal share of unemployment relief costs has grown to proportions which no longer can be met out of revenue by a large number of municipalities, and

Whereas many municipalities have completely exhausted their credit, with results that the unemployed are not properly provided for, indicating that an acute emergency exists which, in the opinion of this council, can only be met by the federal government taking over the whole cost of maintenance of all unemployed, and

Whereas, it has been indicated that the federal government intends to introduce at the next session of parliament an Unemployment Insurance Act with contributory features, which will leave all of the present unemployed out of its scope and therefore not result in any easement of the burden now so heavily resting on the municipalities for the maintenance of the unemployed, nor in any improvement in the deplorable inadequacy of their maintenance,

Be it therefore resolved, that this council goes on record of being in favour of non-contributory unemployment insurance legislation which will embrace all of the present and future unemployed within its scope, the funds for which shall be provided by the federal government and should be raised by a special graduated tax on incomes and should provide a standard of living at least equal to that set by the Labour Gazette.

It seems to me, Mr. Chairman, that we have come to the point in our industrial development where we must recognize that unemployment is one of our greatest national problems. I think even the Prime Minister recognized that in his speeches prior to the last election. Further than that, it must be admitted that the individual workman is not to blame because to-day he is unemployed. It may very well be that there are a few lazy people, but as I have suggested in this house before, the lazy people are not confined to the down and outs. There are some of them to be found in so-called high society, but the great majority of the people to-day who are unemployed simply cannot get work. I would urge with all the energy that I have that the burden of unemployment, since it is not due to the unemployed workman, ought not to fall on him alone but should be shared by the whole community. Certainly that is fundamental. What does government exist for? Surely to see that every one of its citizens is protected.

We were told that the last war was fought in order that our country should be saved. Well, I would urge that if there are fortunes that have in part been built up out of the war, that have been built up through the operation of the existing system, then those fortunes should unquestionably at the present time be levied upon to take care of the

people who have suffered because of the inadequacies and maladjustments in the existing system. I think that is elementary, and that it will appeal to everybody of fair judgment, to everybody who himself is not too largely benefiting by the existing system. Just how that is to be done is a matter that may be debatable. Whether funds should be secured through special taxation as was suggested by the city council of Winnipeg, or whether it should be through a levy on industry, I do not know; but I am inclined to think it is fairer to take it out of special taxes. In the provision of work—and as long as work is the basis of remuneration it is work we need, notwithstanding all that the editor of the Ottawa Citizen may say—in the provision of work we may very well call upon the credit of the country to make the necessary advances.

But I come back to my main point, and that is that the unemployed man, whoever he may be, ought not to be the sufferer he is to-day; yet there is not one line in this legislation that will make the burden any easier for the unemployed man. Legislation of this character presupposes the system remaining much as it is, and if some of us are right in our analysis, more and more people will be thrown permanently on the unemployed scrap heap. Hence this present legislation is wholly inadequate to provide for the needs of even that class. But I will vote in favour of it for the good that is in it. It may help out a certain number temporarily and in a very inadequate way, but I do want it distinctly understood at this time, when we are beginning a discussion of the clauses of the bill, that we do not think this legislation begins to touch the main problem that is before the people of this country, nor is it an adequate treatment of the problems which face even those classes that come under the terms of the measure.

Mr. HANBURY: Before the short title carries, Mr. Chairman, I wish to say that I am in hearty sympathy with this legislation, and I hope that if and when it is tested in the courts it will be found to be within the jurisdiction of this parliament. Coming from British Columbia I would point out that we have there probably more social legislation than any other portion of Canada, and industry in British Columbia finds itself at a certain disadvantage as a result of that legislation in competing with other portions of Canada. It is for that reason that I am heartily in sympathy with anything that will put industry and the working people of British Columbia on a fairly competitive basis.

[Mr. Woodsworth.]

I would inquire from the Prime Minister what is the estimated cost of this insurance to the federal treasury for the first year of its operation, and whether provision for the amount is to be placed in this year's estimates.

Mr. BENNETT: I propose to deal with that phase when we reach the sections that deal with it. If the hon. member will please wait until then, I will give the figures in connection with all these matters.

Section agreed to.

On section 2—Definitions.

Mr. GARLAND (Bow River): May I ask the Prime Minister what precisely is implied in the provision of an alternative to the normal definition of "day," under clause (c), which provides:

(c) "day," means a period of twenty-four hours from midnight to midnight or such other period of twenty-four hours as the commission may for any general or special purpose prescribe.

Mr. BENNETT: Conceivably it might pass into twenty-five hours in dealing with matters of this kind. The term "day" is a familiar term to use in this connection, and this definition has been found necessary in dealing with the regulations under the British act.

Mr. HEAPS: Does this section follow closely the British act?

Mr. BENNETT: Yes.

Mr. HEAPS: Does the Prime Minister's remark apply also to clause (j) dealing with trade disputes?

Mr. BENNETT: Yes.

Section agreed to.

Mr. GAGNON: Apparently there is no clause 3. What is the explanation?

Mr. CHAIRMAN: Clause 3 appears on page 3, about the middle, but the (3) is not in large type.

Section agreed to.

On section 4—Commission.

Mr. HEAPS: I would like the Prime Minister to explain what the relationship of the proposed commission will be to parliament. I see very little relating to it in the clauses of section 4, and I would like to know what jurisdiction parliament will have over the commission once it is appointed.

Mr. BENNETT: I endeavoured to explain when the bill was being submitted to the house that the bill provides for an independent commission, and like all commissions it is, of course, subject to the enactment of any legislation which this parliament may see fit to pass in derogation of its powers or supplementing or increasing its powers. Parliament, of course, is supreme.

Mr. HEAPS: Yes, but we have had a railway bill fastening on parliament a form of commission of which I did not approve; in fact, the commission is placed above parliament. I do not want anything in this act, now or hereafter, to imply that a commission appointed by parliament can dictate to parliament the things it prefers according to its own interpretation of the statute. I want to know whether each year this parliament will have the opportunity of reviewing the work of the commission, and whether a special committee or parliament itself will have the estimates of the commission placed before it for consideration so that it may properly review the work of the commission.

Mr. BENNETT: Parliament has the amplest opportunity to consider the work of any of its creations. I do not know what is meant by the question of estimates, because this commission is predicated upon the assumption that the numbers of people who avail themselves of it determine the amount of money it handles, and to estimate the number would be only doing what has been done in relation to the commencing of it. In 1931 the reason we had a delay in taking action was the fact that the census figures had to be obtained and analyzed. But the power of parliament is supreme in relation to this and all others of its enactments.

Mr. HEAPS: That is quite true, but I see nothing in the act which would compel the commission to submit its report to parliament. It will submit it to the governor in council, but I would far rather see the act so drafted that each year, if parliament thinks it desirable, it could in some way review the work of the commission. That I think is very important, because after all, if this legislation is as important as it was claimed to be during the discussion on the second reading of the bill, and according to the statement of the Prime Minister about 1,700,000 persons will come under the provisions of the act, then such a provision as I suggest should be adopted. I do not know whether the whole of that number will ultimately qualify; I doubt it. But if they do, then there will come within the jurisdiction of the commission approximately one-sixth of our population, and I submit that parliament ought to have complete jurisdiction over the activities of such a commission. It should have the opportunity of reviewing the work of the commission and satisfying itself with the activities of that body. I think we ought to be in a position to express our opinions on the floor of the house. So far as I can see, the commission will report annually to the governor in council; but, as I have said, I should prefer to have the report tabled in parliament through one of the responsible ministers, and have parliament adopt it or otherwise, with an opportunity for discussing it. That is what I now ask the Prime Minister. Shall we have an opportunity in this parliament, or will a committee of parliament have the opportunity of annually reviewing the work of the commission once it has been appointed?

Mr. BENNETT: I can only repeat what I have already said. This parliament has jurisdiction over this matter, according to my conception of the situation, though there are those who think it has not. But if it has, a report to the governor in council is a report to parliament, so far as that is concerned. The mere laying of the report on the table is a different thing. Reports of various departments are made to the ministers or to the governor in council, most being directed to the governor in council; and the question of the discussion of them is for parliament to determine. It has always been open to this house, on a proper motion, to discuss any matter that is within its jurisdiction, and it has discussed everything that I can think of, from home rule in Ireland down to the smallest detail of our economic life. I can only say that there is nothing in this act that limits or curtails or lessens the power of parliament to deal with the matter.

Mr. GARLAND (Bow River): If it does not make a greater success of this than the British parliament did of home rule for Ireland, it will not be very successful.

Mr. MITCHELL: Section 4, dealing with the appointment of the commission, provides that two commissioners shall constitute a quorum. It is within the realm of possibility, in the practical application of the act, that one of the commissioners might die or be removed from office, and there is no obligation on the government of the day to fill a vacancy created by dismissal or otherwise. Now, there might be some very important decision to be made which might affect labour where the labour point of view would not be

brought under discussion. Could not the government insert a stipulation to provide that vacancies shall be filled within twenty-eight days or two months or six months so as to protect all parties?

Mr. BENNETT: The hon. gentleman mentioned to me, or the matter was brought to my attention, that defect as he conceived it to be, and I think a subsection might be inserted so as to provide that any vacancy that occurs shall be filled within a given time. I shall be glad to incorporate in the section such a provision as indicates the sense of the committee in that regard.

Mr. HANBURY: That could be done in the next clause.

Mr. BRADETTE: Subsection 6 provides that the commission shall have power to acquire, hold and dispose of real and personal property. What would be the full interpretation of real and personal property?

Mr. BENNETT: These words have a generally recognized meaning. Real property is usually used colloquially in reference to land with its appurtenances, and personal property is—

Mr. MACKENZIE KING: Clothing, I suppose.

Mr. BENNETT: Yes, but personal property refers to that form of property which is movable and is other than real property. But there is a third branch which is known as mixed property, and that is usually the definition given a leasehold interest under certain conditions. Real, personal and mixed property are the divisions—real being fixed, and usually a term interchangeable with land and its appurtenances; personal being movable property and other than real and mixed property. The last mentioned term is hardly ever used, but it has reference to certain forms of leasehold.

Mr. BRADETTE: It seems anomalous that personal property should belong to a commission.

Mr. BENNETT: This is the section that confers upon the commission the power to own real estate or to own personal property. Part of its money will have to be invested in security, which would be personal property. It might conceivably find itself in a condition where, by operation of law and not by an act of the parties, it became possessed of real property. The investment sections are closely worded and do not contemplate risks being taken with the funds. This subsection only empowers the commission to own real and personal property.

Mr. DUFF: If the provisions of the act are to be carried out by a commission I think I am right in saying that it will cost the taxpayers a very large sum of money. It seems to me that we are getting into the habit, both in this parliament and in the legislatures, of depending too much upon commissions or outside bodies instead of having the elected members of parliament and the members chosen by that parliament comprising the government, responsible for the carrying out of legislation. This legislation, even if it were placed under a minister and under a department, would still cost a great deal of money; but if it could be worked out so that instead of having commissioners appointed, with secretaries, stenographers and so forth, we might have the work done by the Labour department—because I am of the opinion that this is legislation that should come under that department and a great deal of money might be saved to the taxpayers. When we come to the clause dealing with the amount which the employee would receive we could save, according to my finding, a quarter of a million dollars by placing this legislation in the hands of the Department of Labour instead of under this commission. That seems to me to be in the interests of the employees. I would strongly urge that the government reconsider part I which deals with the appointment of several commissioners. Of course, once they are appointed, this means that a large organization must be set up, not only in Ottawa but all over the country, which will cost the taxpayers a great deal of money and will consequently in my opinion not give the same satisfaction to the labouring people, the employees who will come under this legislation. Therefore I strongly urge that the government should consider this matter and place the legislation under a responsible minister of the crown. If that were done, as my hon. friend pointed out a moment ago, there would be no fear that the person dealing with the matter would not properly report to parliament, and parliament could approve the work of the Minister of Labour and his officials in connection with it at any succeeding session. I strongly urge in the interests of economy, to save large sums of money to the taxpayers and to give further benefits to the employees, that this commission be not appointed, but that provision be made under which the Minister of Labour and his department shall carry out the provisions of the measure.

Mr. BENNETT: I need hardly say that obviously every phase of the matter suggested by the hon. gentleman has been considered and the reasons that apply against making this a political department are so apparent that in my judgment it is scarcely necessary to consider it. It must be free from political influence, and it must be free from those other weaknesses that are always inherent in what you might call political administration. Its success or failure depends very largely upon that fact, and it will be found in the end that if the advisory committee exercises the functions that such a committee is intended to exercise, to make this board, which will be a non-political one—because employers and employees are both to be represented on it and the chairman is to be selected by the governor in council having regard to what he is to do—an adjunct or part of the Department of Labour, would destroy the purposes for which the board exists. I need hardly remind a committee such as this, every member of which has perhaps read a good deal about this matter, that one of the weaknesses of development in connection with unemployment insurance plans in some countries was the exercise of political influence in the demands that were made for certain benefits that could not otherwise be derived.

The legislation contemplates that the influences for stability, unformity of administration and the prevention of just such difficulties as have been experienced are to be found in the non-political character of the board and the assistance that the advisory committee from a high sense of citizenship will render to such a board. I am sorry, but it would be impossible to carry out this legislation on the basis suggested by the hon. member. Full consideration has been given to the suggestion he has made.

Mr. DUFF: These are noble sentiments expressed by the Prime Minister. It would be a beautiful thing in this country if we could get entirely free from political influence. But if his argument holds good with reference to this bill, then as regards every piece of legislation which we pass in this parliament or which is passed in the provincial legislatures, if such legislation is to be properly administered, a commission should be set up to carry out its provisions. Why not do the same thing with all the other departments? Instead of having a minister at the head of each one, let us appoint a commission; let us have commission government for everything. We seem to be getting away from responsible government much faster than is in the interests of the country. I am strongly in favour of responsible government. After all is said and done, whilst of course we sometimes play politics both seriously and in the interests of our party, by and large a Tory is just as good a man as a Grit.

Some hon. MEMBERS: Order.

Mr. DUFF: I said by and large; I qualified my statement. I cannot understand why my hon. friends object. There are just as important bodies appointed in this country as this or any other commission. For instance, my right hon. friend, who is one of the greatest lawyers, shall I say in the British empire—

Mr. BENNETT: Oh, no.

Mr. DUFF: I have heard him argue very strongly about appointments to the judiciary; and quite properly in his position as Conservative leader and Conservative Prime Minister of Canada, when there are vacancies in the Supreme Court of Canada or the supreme court of a province, he naturally appoints one of his own political friends or the friends of his party.

Mr. BENNETT: They say that he does not. That is the trouble.

Mr. DUFF: Well, judges, like other people, once they get appointments at the hands of their friends, sometimes forget them very quickly. I have seen that happen with both judges and other persons. So far as I am concerned, strongly partisan as I am, I do not have the same fear the Prime Minister has. If the present Minister of Labour for the next three or four months—and of course that will be as long as he will be in that position—has charge of this measure with his officials, I have no fear that partisan politics will enter into the matter or that the labouring man and employers of labour will not get a square deal. I am and always have been strongly of opinion that we have too many commissions in this country. Take for instance the Canadian National Railways. Parliament has practically nothing to do with that but vote money. That is not right. We who represent the taxpayers should be in a position to criticize and decide in connection with every important matter concerning that railway. Nevertheless we are tied hand and foot because under an act of parliament somewhat similar to the present bill we have given the commission or the trustees full power and taken it away from the elected representatives of the people. This is not in the best interests of the people

themselves or of our parliamentary institutions. I strongly object to this or any further commission being appointed. We have too many commissions in this country. It would be much better if the duly elected representatives of the people and the ministers of the crown were to carry out the provisions of all legislation passed by this parliament.

Mr. NEILL: If this body is to be non-political, as the Prime Minister says, why not have it appointed by the civil service commission? The Prime Minister points out as evidence of it being non-political, the fact that one member shall be appointed after consultation with representatives of organized workers and another after consultation with representatives of organized employers. But that does not prevent the appointments being really political. If those appointments had been made by the parties concerned, that would have been a different thing; but they are not; they are made only after consultation with those parties. Therefore when a Liberal government is in power it will select a Liberal representative of the workers and a Liberal representative of the employers, and vice versa when the Conservatives are in power. If the spirit of the legislation is, as the Prime Minister has more than once told us, to be wholly non-political, with only a hope, and not a very strong one, of its being successful, the appointments should be put under the civil service commission. If it is suggested that the civil service commission is incapable of selecting men of the calibre required for this commission, that is a lamentable situation and I do not think it is correct. The Prime Minister should explain why this commission and all these appointments are not made under the civil service commission.

Mr. BENNETT: It will be observed with respect to ordinary appointments that they are to be made in the manner provided by law. I take it that the civil service commission will have control of that phase of the matter. But the commissioners will be appointed by the governor in council, and I am bound to say that under the provisions of the peace treaty and the regulations that govern, the representatives of labour and of employers at Geneva from year to year have been appointed under provisions similar to those contained in this measure. For instance it was decided in 1919—there has been some objection to it recently—that the Trades and Labour Congress should be the body representing labour for the purpose of making recommendations, and the manufacturers' association was taken as representing the employers. The representations they have made to successive governments have been embodied in the orders in council appointing the representatives who have appeared on behalf of Canada at the meetings of the international labour organization.

Mr. NEILL: Have their recommendations always been taken?

Mr. BENNETT: There were two cases, if my memory serves me aright, in which recommendations for assistants or advisers were taken from other labour organizations: one was the national Catholic workers union and the other was the All-Canadian Congress of Labour. The right hon. gentleman will recall the discussions that took place. I was not then connected with these matters officially, but I believe a great deal of discussion took place when the method was being settled as to how these appointments should be made. Perhaps the right hon. gentleman would give us the benefit of his memory with respect to that. I believe the matter was settled at Washington.

Mr. MACKENZIE KING: I am sorry I do not recall details of the discussion but what the Prime Minister has said is correct. There was a conference and some adjustment was made, I think to the pretty general satisfaction of all concerned.

While I am on my feet—I notice that the Minister of Labour (Mr. Gordon) is in his seat—apropos of this matter of political influence may I draw attention to the fact that we have a national system of old age pensions, and I should like to ask the minister, as its provisions are being administered by him, whether those administering are subject to political influence and control and whether the act is being administered on such lines.

Mr. GORDON: The Old Age Pensions Act is largely administered by the provinces—

Mr. MACKENZIE KING: Yes, but quite largely by the dominion too.

Mr. BENNETT: No, we just pay.

Mr. GORDON: No; whether fortunately or unfortunately, we contribute seventy-five per cent of the cost, but as to the Department of Labour taking a political interest in the administration, in order—putting it in the worst light—to defeat the proper functioning of the act, that has not been done as long as I have been Minister of Labour, and as far as I am aware it was not done prior to my being minister. I do not know what the right hon. gentleman has in mind, but if

he knows of any evidence of political activity in connection with the Department of Labour, calculated to do damage to the Old Age Pensions Act, I shall be very glad to know about it.

Mr. MACKENZIE KING: My hon. friend misconceives my meaning. He has taken something not intended to heart. I was trying to give the impression that he was administering the act so fairly that no political influence could enter in. I was wondering whether if he had the administration of this unemployment insurance measure he would allow political control to govern. The Prime Minister was arguing that we cannot trust a department of the government with the administration because there would be political influence at work all the time. What I have seen of commissions makes me believe that there is about as much political influence exerted through commissions as through any other body. As a matter of fact where a minister is responsible to parliament there is a greater control against political influence than in any other way.

Mr. NEILL: Coming back to the remarks of the Prime Minister, he has pointed to a precedent rather than to any logical reason why these appointments should not be made by the civil service commission. The appointments he indicated are of an occasional character, strictly in the gift of the government. It is quite a different situation from that of permanent paid employees who are to be there all their lives, failing cause for dismissal. I do not think the parallel is sound. If it is desired to take nominees of the Trades and Labour Congress or other labour bodies he mentioned, and of the Canadian Manufacturers' Association as their representatives, why not say so? But under this bill it is open to pick and choose political employees, which is against the whole spirit of the Civil Service Act. If we are going to have a civil service act why not stick to it? And I look beyond this particular appointment; I think the Prime Minister is a big enough man to see that three good men are appointed on this occasion. It is not so much they I had in mind as the smaller men.

Mr. BENNETT: That is covered by section 8 of the bill.

Mr. NEILL: The government is going to have a political commission and it will appoint a political committee that will appoint a political man in the country place, and he has to have a political committee to assist him; and presently you will have people saying that the whole thing is a political machine. That as I understand is what the Prime Minister wants to get away from. Therefore why not make it non-political at the start?

Mr. BENNETT: Section 8 provides:

(1) The commission may employ such officers, clerks, and employees for the purposes of this act as the commission may determine, and all appointments of officers, clerks and employees so employed by the commission shall be made in pursuance of the Civil Service Act.

That is what I tried to make clear.

Mr. NEILL: Yes, clerks and people like that, but I am talking about the active people, the chairman of committees and so on. Then they have this panel, which is a regular play on words. There is to be a panel selected, from which the chairman of committees and referees are to be appointed —a fine sounding title. But how are these panels to be promulgated? They are to be constituted by the commission, a political body. It is a fine pretence of fairness, but still a political machine, because they will appoint ten, or twenty, or thirty men, taking in Jew and Gentile, bound and free, Tory and Grit. But the crucial point is, who does the picking out of that fine body? It will be done by a politically appointed body which will be wised up to take Tom Jones and will always take Tom Jones, he being the one favoured by the government of the day. I ask the Prime Minister if he can deny that that system permeates all these appointments. I am talking not about stenographers and clerks but about the men who have the control.

Mr. BENNETT: The words are "officers, clerks, and employees." They are under the civil service. With respect to the commission I have only to say that if one of the number is appointed after conference with the representatives of labour I do not think you will find that commissioner agreeing to the conditions to which the hon. member has referred. Neither do I believe that the representative of the employers appointed under the circumstances I have mentioned will put himself in the position of becoming a party to a conspiracy with one other to do the things that have been suggested. The majority controls. In the appointment of the panels to which reference has been made the government's nominee as chairman can be out voted in all cases with respect to the setting up of the official body to which the hon. gentleman refers. As far as I know of any way in which

to accomplish it, this is the method, namely that of conferring with the representatives of labour. I will say this, that my memory is that of all those who have been appointed since we came into office to attend the international labour organization at Geneva, the majority have been opposed to this party in politics. That is my memory of the situation, though I have never checked it up. I do know that the Minister of Labour sends up to council the recommendations that have come to him after he has conferred with the Trades and Labour Congress. Mr. Moore and Mr. Bengough were the last two appointed, so far as my memory serves me, and on one occasion Mr. Cook, of the Canadian trades union, was sent as an assistant. He was a Conservative candidate in an election in western Canada, but he did not put forward his claim. His organization recommended that he be selected as an assistant, and he was the nominee of that organization. Then I am advised that on one occasion at least—I cannot speak from memory because my memory does not carry names as perhaps it should—the representative selected by the national Catholic unions was a rather strong opponent of this administration. We have taken the nominees of labour; it has not been a question of their political faith, and that clause reads as it does for the purpose of endeavouring to secure the same treatment in connection with the appointment of these commissioners as has obtained since 1919 with respect to the appointment of those who went to Geneva as the representatives of the employers and the employees. My memory is that several of those whom we appointed had been actually in attendance as representatives of employers and labour under the former administration. I cannot say with respect to employers with any degree of certainty, but I can with respect to employees.

Mr. MACKENZIE KING: We appointed the late Sir George Foster on one occasion.

Mr. BENNETT: That was to the League of Nations.

Mr. NEILL: Honorary temporary appointments.

Mr. BENNETT: I want to point out that representatives to the League of Nations and representatives to the labour office are entirely different. The appointments of the representatives of employer and of labour are made after conference. I think it is provided that they shall be most representative of organized labour, and we have selected them in just that way. That is why the provision is made in this way.

[Mr. Bennett.]

Mr. ELLIOTT: In view of the fact that the Prime Minister considers it advisable to have the commissioners other than the chief commissioners selected after consultation with those labour organizations, why is there no such safeguard with regard to the chief commissioner, the most important appointee of all?

Mr. BENNETT: The government accepts responsibility for that appointment.

Mr. ELLIOTT: The government accepts responsibility for all the appointments, but it does not take the same precautions.

At six o'clock the committee took recess.

After Recess

The committee resumed at eight o'clock.

Mr. HEAPS: Before six o'clock there was some talk about the method outlined in this measure for the appointment of commissioners. Some hon. members spoke about appointing people who were non-partisan or non-political in their opinions. I have still to find a person either non-political or non-partisan. I know some people profess to have an open mind, but when I think of them I remember that some years ago Winston Churchill described the open mind as the empty mind, and I have a good deal of sympathy with Mr. Churchill's definition.

I can readily understand that if one man is appointed from the ranks of labour and one from the ranks of the employers each will stand behind his own opinions—and I assume they will have opinions of some kind. It will be difficult to say how much those opinions would or would not be influenced by political views. I have not much sympathy with the viewpoint which holds that we should always appoint people holding non-partisan or non-political views. Perhaps I do not interpret that observation the same as some other hon. members may interpret it. For instance, I observe in the report of the actuaries the suggestion that we should appoint people holding non-political or non-partisan views. I do not know why we should employ persons such as actuaries, pay them high fees for their services, and then allow them to tell parliament that we must appoint certain types of men who may have no opinions on any subject. I have no objection to appointments being made not from the standpoint of partisanship but based upon the qualifications the position may demand. If a man is to be appointed from

among the employers I hope he will be capable and administer the act with the proper spirit, and I would say exactly the same concerning the person who may be nominated by the responsible labour bodies in Canada. The whole basis of the work of the commission will depend in large measure upon the chairman appointed by the government; I assume even in that instance the man who is appointed may have political bias in his ideas as to how the commissioners should do their work. I do hope any bias he may have will be on the side of the workingman and not in favour of the employers; I am frank to make that admission.

My further point has to do with the effective control by parliament of the commission, once it has been appointed. I know many hon. members, including myself, are not too favourably disposed towards commissions doing the work which ought to be entrusted to parliament. On the other hand I think the legislative work of parliament ought to be divorced from the administrative. I should prefer to see an outside body partly separated from parliament performing the functions of administration, but on the other hand I believe there is no body more likely to understand the spirit of the act than members of the House of Commons. If a commission were removed from the control of parliament, such commission might be likely to do things it would never do if parliament had some effective check upon it. That is why I stated when this matter first came before the committee that I wanted to see some form of effective control by parliament of the commission, and to have such commission placed under the control of a minister so that when the estimates of that minister were under consideration we would have free opportunity to enter into a discussion of the administration of the act. I believe no government would have anything to fear if my suggestion were adopted. It seems to me that a commission appointed by parliament would do more effective work if it knew that at certain times its work would come under the review of parliament. The Prime Minister has stated that parliament will exercise over this commission the same control it has exercised over others. To me that is not an altogether satisfactory answer; I should prefer in the act the explicit provision that the administration would come under the review of parliament. It is possible that an estimate may come before parliament providing for funds to carry on the work of the commission, in which event I realize there will be opportunity for discussion. Nevertheless I believe that in the final analysis parliament should have complete control of the whole situation.

Mr. MITCHELL: It seems to me that the question of political control is worthy of careful consideration. I hold the view which has been expressed by the hon. member who has just taken his seat (Mr. Heaps), that parliament should have some control over the working of the measure. I have always felt that an efficient civil servant is necessary to any democratic form of government.

Mr. HANBURY: Or bureaucratic.

Mr. MITCHELL: Somebody says "bureaucratic." I should not like to see arise from this measure any condition such as has arisen quite recently in one of the major provinces. Civilization should have developed beyond that point sixty years ago. I am convinced that the dismissal of civil servants on the basis of political expediency is an insult to the Canadian people. When a man has devoted his life to the service of his country I do not believe his head should be chopped off because twenty or twenty-five years ago he may have voted Conservative, Liberal, Labour or any other way. That is an unfair and an unsound basis for dismissal. The appointees should be men who have faith in the legislation and faith in its possibilities. It would not be in the best interests either of industry or of the workingmen if commissioners who have properly carried out their obligations were to be changed with each change of government. The people of Canada do not desire that that should be done, and in the launching of the measure great care should be taken by the government to see to it that the men who are put in charge are public spirited, men who will carry out the full purpose behind the measure. I hope we shall never live to see the day when in this federal government we may see a condition such as has developed recently within the dominion. Fifty years may be required for the development of an efficient civil service, and I hope a federal government may never stoop to do the things which have been done recently in other places. The men charged with the carrying out of this measure should be given a fair opportunity to prove its usefulness, and politics should not enter into their appointment. I am convinced that the commission should be composed of men with an understanding of legislation such as we have before us and an appreciation of the psychological make-up of the working man. I am further convinced

that the chairman should be a man with a judicial mind, one capable of weighing evidence and making decisions. I think that is the most important factor in connection with this commission. If you have the right kind of commission the legislation will work out in an entirely different manner from what it otherwise would, and should politics enter into decisions of the commission such a condition in my judgment would set back for a generation the usefulness of this legislation.

Section agreed to.

Mr. BENNETT: That will be section 3, Mr. Chairman. It is section 4 now.

The CHAIRMAN: Yes, and section 5 will be section 4.

On section 5—Duration of office.

Mr. MITCHELL: I understand the Prime Minister to say before dinner that provision was to be made to take care of the case of one of the commissioners dying.

Mr. HEAPS: I think that is covered by subsection 3 of this section.

Mr. BENNETT: It is intended to make such provision, and if it is not adequate now such provision will be made before the bill goes out of committee.

Mr. HANBURY: I notice that we are to retain some of these commissioners until the age of seventy years. In view of the unemployment situation in Canada, and the fact that we have old age pensions and have also many younger men who are capable of doing this work, I suggest to the Prime Minister that he make the limit sixty years instead of seventy. He will find many people under sixty who have the ability to discharge these duties properly.

Mr. BENNETT: The hon. gentleman has referred to a very difficult and delicate subject. To have retired me, for instance, four years ago would have been in singular disregard of the public interest; and to retire so many gentlemen I see opposite who are perfectly willing to serve the state in an eventuality that will never happen would be much more serious still.

The problem is one that has engaged the attention of a great many people, especially in our English speaking world, with respect to judges and commissioners and with respect to those who hold positions similar to those of judges and commissioners. We have already provided that seventy-five shall be the retiring age for county or district court judges and for the Supreme Court of Canada; seventy is the compulsory age for retirement in many cases in the civil service, and civil servants may retire at sixty-five. But the difficulty in meeting my hon. friend's suggestion is this, having regard also to what was said by my hon. friend from East Hamilton (Mr. Mitchell) as to the right type of man for the chairmanship: if you say he must retire at an earlier age than seventy, he may already be occupying the position of a judge and be sixty or more. So it is a matter of extreme difficulty. I think in following the provisions of the Civil Service Act as we have, we have gone as far as we should. Although I appreciate what has been said, I should certainly not like to see this changed to sixty, because I believe it would not operate in the interests of efficiency. I think it better to leave it in the terms of the Civil Service Act, which one day must be revised, probably, having regard to the conditions. This was written into the statute on the basis that the provisions of the Civil Service Act would be observed.

Mr. HANBURY: I understood that the Civil Service Act provided for retirement at sixty-five.

Mr. BENNETT: At seventy-five it is compulsory.

Mr. HANBURY: I thought it was sixty-five under the Civil Service Act. In the Canadian Pacific and the Canadian National, with a large labour personnel, sixty-five is the compulsory age for retirement, I understand.

Mr. BENNETT: No, even there they have extended the time beyond that. I need hardly remind the hon. gentleman that one of the officials of the Canadian Pacific died while on duty, and he was nearer seventy-five than sixty-five. Recently the banks have been endeavouring to provide more positions by retiring as many of their staff as possible between sixty and sixty-five, and large numbers of them have been retired in order that the younger men might have a chance and that greater opportunities for employment might be provided. In the railways the situation is as I have indicated. In the civil service we have extended the time beyond even seventy. There are one or two members of the service that we provide for by act of parliament, in the estimates, where the age has been extended beyond seventy-five; it would be very difficult to replace these men at any age because of their accumulated experience in the particular positions they occupy, having regard to their present keen intellect and the grasp of the problems with which they

have to deal. So, Mr. Chairman, I would dislike altering this from seventy under present conditions.

Mr. HANBURY: I cannot see that subsection 3 of section 5 provides for remuneration for someone appointed to act in a temporary capacity.

Mr. BENNETT: That provision is to meet the case to which attention was directed this afternoon; that is, if only two were left and one was ill in hospital, and important matters had to be dealt with, this would enable the governor in council to make a temporary appointment. The question of payment would have to be provided for by order in council out of contingent funds or otherwise. A real difficulty did arise on one occasion through the temporary incapacity because of illness of a member of a commission, which made it impossible to deal with a problem of some magnitude. The same principle is adopted here as when we invite a judge in to one of our courts to act ad hoc.

Section agreed to.

On section 6—Salaries of commissioners.

Mr. MACKENZIE KING: Would the Prime Minister indicate what salaries he has in mind for the chief commissioner and the other commissioners?

Mr. BENNETT: Frankly I am bound to say to the right hon. gentleman that I have not in mind any salary at the moment. I do not know for what salary we can secure the type of man we should like to get as chairman of this commission. So far as the commissioners are concerned I fancy that probably a salary of $10,000 or less would be satisfactory—something within that range—but I do not know whether the chairman, a man of competency, could be obtained for that sum. I have not any mind on the matter at the moment, and I should be very glad if the right hon. gentleman would express his opinion in that regard.

Mr. HANBURY: This afternoon I asked the Prime Minister if he could give some information as to what the cost of this is going to be. What will be the charge on federal funds?

Mr. BENNETT: That will come later when we reach the section.

Section agreed to.

On section 7—Commission to undertake investigations.

[Mr. Bennett.]

Mr. HEAPS: I regard this as one of the most important clauses of the whole bill, and I think we ought to have some explanation and a discussion of it. It is something new in our legislation and covers a wide territory. For instance, it gives to the commission certain powers which no previous commission has ever had in this country. In many respects I am exceedingly glad that the body which is to administer the act will have some of the powers that are to be conferred upon it by clause 7. But there is so much ambiguity about it that it is rather difficult for me to apprehend all that is implied in the bill. One of the sections provides that the commission may do something for those who are out of work and do not come within the financial benefits of the bill. If this bill is to be placed on an actuarial basis and the fund is to be administered according to such an arrangement, then I find it rather difficult to see what assistance they can give, apart from financial aid, to those who are out of work for the time being or who perhaps may be permanently unemployed. I thought however that, without going further into the meaning of this section, I might ask the Prime Minister to take the house and the country into his confidence and tell us what the government have in mind at this session of parliament in relation to those people who will not benefit by this bill when it becomes law. When the Prime Minister a few days ago moved the second reading of the bill he stated that the government had in mind some other provision to meet the unemployment situation in Canada, and I do think that now we are discussing section 7 of the bill, the Prime Minister might say, where questions of the unemployed and partially employed are covered by the bill and it is intended that those out of work shall be kept physically fit to do work when there is no work for them to do, what kind of work he has in mind. What does the Prime Minister intend to do for that large section of our population who at present are looking with a great deal of hope and expectation to the government to provide them in the immediate future with useful and productive work?

The CHAIRMAN (Mr. Smith, Cumberland): Is it the wish of the committee to take the section paragraph by paragraph?

Some hon. MEMBERS: Yes.

On section 7. (a)—Extension of insurance to excepted employments.

Mr. McKENZIE (Assiniboia): I was interested in the remarks of the Prime Minister a few days ago when he gave the list of those who would be exempted from insurance under this bill. My concern at the present time is for a few hundred coal miners in my constituency, because I am at a loss to know whether or not they can be brought under this bill. They are engaged as part time employees in the coal mines for from twenty to twenty-four or twenty-eight weeks in the year, and then the rest of the time they are probably on farms or working at other occupations. I was wondering whether they could be brought under this bill, and how. These miners are having a very difficult time; they have been experiencing a difficulty in the last two years in making ends meet. I am informed that the mine owners are rather concerned about this bill because they are finding it very difficult to make ends meet, to pay their taxes, their running expenses and so on without having to meet additional costs. Under this bill will these mine owners be compelled to contribute when they employ their miners only for a certain period of the year?

I have listened with a good deal of interest to the discussion that has been going on in connection with this bill, and I have wondered whether any reason has been given so far why I should support a measure of this kind. I represent a farming community in Saskatchewan, composed almost entirely of farmers with the exception of the few hundred coal miners I have mentioned, and unless those miners can benefit by the act I do not know of any person in my constituency who can derive any benefit from it. If times were normal I do not believe our people would object very much to the passing of an unemployment insurance bill; but at the present time, when our farmers find it impossible to pay their taxes, I think it is hardly fair to impose additional taxation upon them. It is an axiom of our law that those who do not receive any benefit from taxes should not be taxed. I wonder what the Prime Minister has in mind for constituencies such as the one I represent. What does he intend to do by way of compensating adjustment for the money which those farmers will pay to make up their share of the dominion government's obligation? I am concerned for the moment for the part time employees in these mines, and I should like to know whether or not the owners will be compelled to pay a share of insurance.

[The Chairman.]

Mr. BENNETT: We shall reach that section a little later and I will discuss it then.

Paragraph (a) agreed to.

On paragraph (b)—Assistance for unemployed.

Mr. BENNETT: The hon. member for North Winnipeg (Mr. Heaps) will observe that the commission will have very large powers, but the provision that is contemplated is for those persons ordinarily employed in any of the employments excepted from the operation of part III of the act or ordinarily employed in insurable employment but who for the time being are not entitled to unemployment insurance benefit. So long as they come within the clause but do not come strictly within the provisions of the sections providing for benefits, power is given to take such action as may be thought desirable.

Mr. HANBURY: That is only to make a proposal, not to take action.

Mr. WOODSWORTH: The Prime Minister has stated that this bill is founded on the British act. I understand that within the last few weeks there has been appointed in Great Britain a new body known as the unemployment assistance board, which takes care of all wage earners receiving, I believe, less than $25 a week, and now it will take care of about seventeen million wage earners. Is there any provision at all in this bill to take care of those who do not appear to come under the provisions of its terms?

Mr. BENNETT: The British statute is one that deals with unemployment assistance by way of relief. I mentioned it the other afternoon, explaining the circumstances under which it came into being, but the hon. gentleman was not in the house. There is the provision in paragraph (b) to which I have referred. They make a report to the governor general in council so that the government may be seized of correct information with respect to the matter before determining what action if any will be taken. If the hon. member will look at subparagraphs (i) and (ii) of paragraph (b) of the section he will see what we are proposing in that regard. The act itself does not provide for relief; it provides that the commission may make recommendations to the governor in council on the investigations they carry forward, with the machinery at their disposal, as to persons who would ordinarily be insured under the measure, and that is all. It does not deal with other than those to whom attention has been directed.

Mr. HEAPS: It is possible that those who may be insured under the measure may be so long out of employment as to lose its benefits.

Mr. BENNETT: That is another matter dealt with later.

Mr. HEAPS: But I should be glad to hear from the Prime Minister now what ideas he may have for relieving the general unemployment situation.

Mr. BENNETT: I explained that this was not the time or the place to do it.

Mr. NEILL: This is, as the Prime Minister said, I think, the most important clause in the bill. It provides that:

The commission shall, as soon as practicable after appointment, undertake investigations—

And so forth. This is altogether a new departure in Canada. These men will be very busy for months to come organizing their own office and their own branch of the duties that have been made incumbent upon them by the other clauses of the bill. Would it not be more appropriate if those duties of immediate investigation were imposed upon the unemployment advisory committee appointed under clause 36? They do not seem to have very many immediate duties to perform and they might well get busy and do this immediate inquiry, because I am quite sure the three commissioners will be busy for many months to come getting the operation of the act organized.

Mr. BENNETT: I did endeavour to point out that as long ago as 1919, 1920, this parliament made provisions for financial assistance to labour exchanges and that the labour exchanges have during all those years been gathering certain information which has been made available to the governments of the country. It is contemplated that the information which can be derived from investigation not by these three men themselves but from the machinery connected with the commission will enable them to have a clear appreciation of the situation with respect to the matters to which the hon. gentleman has referred. But the unemployment advisory committee is not intended to deal with matters of that kind, neither is it contemplated that it should take any part in what one might call the administrative side of the matter, but rather as citizens of repute, probably serving as a matter of public service, they will be able to give their disinterested advice upon the evidence that may be accumulated by the commission or through its instrumentality. In England this has been found to be a highly desirable committee and one that has done extraordinarily good service, but in that country there is a chain of responsibility that descends to the parish and the small community through the one government that, as the hon. gentleman knows, we do not have here, and one of the difficulties in a country of such vast distances as this is to have a local body that will be able to give adequate reports upon all the matters that affect employment and unemployment. In England the labour exchanges have been regarded as the basis of the success of the operation of a measure of this kind, and I believe the labour exchanges in this country will, when they are functioning as provided by this measure, render invaluable assistance along the lines that have been suggested. I trust my right hon. friend will not suggest that labour exchanges will endeavour to deprive a commission which he proposes to set up of any power or authority in that regard. But I think whoever administers government will find the labour exchanges invaluable from the standpoint of being able to collect such definite and positive information.

Mr. NEILL: In a year or two.

Mr. BENNETT: I should think not. I should say in a very short time, because the exchanges themselves are functioning at the present time although they are not functioning to the extent which this measure provides. With the added jurisdiction provided by the legislation I think they will become of first rate importance to the country, apart altogether from the service they will render in connection with the service they will render in connection with the measure itself.

Mr. POULIOT: May I ask the Prime Minister whether the Westminster act referred to is the Unemployment Assistance Act, 1934, which was printed, according to the instructions of the House of Commons at Westminster, on December 11, 1934?

Mr. BENNETT: There are two statutes to which I take it the hon. member refers. One deals with the benefits that are called unemployment assistance apart altogether from the question of unemployment insurance. The Unemployment Assistance Act of 1934 was added to the Unemployment Act of 1932 as part II thereof. It begins of course with the very local unit of administrative power and traces up to the highest point of responsibility under that statute. The poor laws, for instance, are subject to consideration in dealing with that act. There is provision for sudden or urgent necessity in trade disputes, cases of special difficulty, suspension from the advantages of the act, and matters of that kind. That is the act to which reference was made. The Poor Relief Act, to which some reference

was made, went back as far as 1601, and then there is the poor law practice before 1914. All that is the historical side of the matter. And then there is the statute which is the Unemployment Assistance Act, the one to which the hon. gentleman has referred.

Mr. POULIOT: I thank the right hon. gentleman. With that act of 1934, there is a lengthy memorandum explanatory of the draft made under section 32. That legislation is very interesting, but I was greatly disappointed when I read it. I listened carefully to a broadcast given by the Prime Minister. I do not mean the Prime Minister of Canada; I mean the Right Hon. Ramsay MacDonald, and I have before me a clipping from the Montreal Star quoting that broadcast. This appeared the same day the broadcast was made, namely November 9, 1934. Mr. MacDonald spoke about this very legislation which has been referred to by some hon. gentlemen:

MacDonald Highlights.

That is the heading of the article.

Right Hon. Ramsay MacDonald, speaking at the Lord Mayor's banquet in the ancient Guildhall of London, England, at 4.10 to-day said:

"It has become quite clear that the unemployed problem of our generation calls for national planning and coordination.

To reclassify our unemployed we have made a new unemployment act, one of the greatest advances in social legislation and administration that this country has known.

We must never forget that they are human beings. A great majority of them are men and women whose distress is their misfortune."

He said that there was to be a reclassification of the unemployed. A good friend I have in Westminster was kind enough to send me the act and the memorandum, but I was very much disappointed in reading them because both of them contained nothing with regard to reclassification of the unemployed according to trade. This is vital. The other day I listened to the Prime Minister and he gave us figures from the census of 1931. We are now in 1935 and from the calendar on the table I see that this is February 18. What are the figures for February 18, 1935? Are they the figures of 1931? I remember distinctly that the census figures of the unemployed were not given in 1931 or in 1932; they were given by the Minister of Labour in 1933, two years after they were gathered. Is this reasonable? Are we posted as to the real situation of the unemployed? Paragraph (e) of the definitions reads: "continuously unemployed." There are some men who work part time and they may be considered as unemployed because their salary is not sufficient to cover the expenses of their living. There are many people who are being taken care of by their fathers. For instance there are farmers' sons who left for the cities, married and had children while they were working there; they have lost their jobs on account of the tariff policy of the government; they have returned home and their fathers now have to take care of them. According to this, however, they are not considered as unemployed. I defy the Prime Minister, the Minister of Labour or any other of his colleagues to give the right figures about unemployment, including those taken care of by their parents or relatives. They have no figures. They come here with the figures of the census of 1931. Bluff, humbug, deceit. Was the number of unemployed the same in 1931 as it is on February 18, 1935? Those figures are out of date. They are all right to put on the blackboard for school children, but they are not the proper figures to give to members of parliament. The Prime Minister cannot object to what I say, because once I asked him the question and he was about to reply when an hon. member who did not hear my question got up and interrupted him. Afterwards I asked him in straight language: "What are you doing to classify the unemployed? What can you do to relieve unemployment unless you have reliable figures about the numbers according to their trade?" What was his answer? His answer was: "We are doing our best in that regard." I wonder what "our best" means. I wonder if it means anything. That answer was confirmation of what I had been saying for years in this house. This request is based on logic. What does the government know about the number of unemployed according to trade? Can the Minister of Labour tell me the number of white collar unemployed in any city, town or village in this country? He does not know, neither does the Prime Minister, neither do the third rate clerks who drafted this legislation, copied it from similar legislation passed in other countries without regard to the special conditions of this country. They know nothing; they have no foundations; they build castles in the air. What for? Propaganda, that is all. I said that this afternoon and I say it again: Does the Prime Minister—for whom I have a high regard, except when he makes such statements as he sometimes does; outside the house I have great respect for him—does he say seriously to this house that he can do anything for the relief of unemployment unless he knows about their number according to trade? That is essential; it is something every one should know. I am surprised that such an eminent man refuses to inform himself about that. It has been repeated time and

time again that each unemployed person should be considered individually, just the same as each soldier who was wounded on the battlefield had to be looked after individually.

Mr. BENNETT: If the hon. member were less violent in some of his observations I should be able perhaps to deal with them more promptly. I shall venture to take a little time to place upon Hansard, in order that hon. members may have it for their edification, the statement made by the actuaries upon which this legislation was based. Mr. Watson's addendum relating to this particular point reads as follows:

Having regard for the benefit provisions of the bill, more particularly the provisions for "additional days" and "the maximum benefit" limitations, it was found convenient to proceed to the computation of contributions by first computing the probability of being idle one week or more, two weeks or more, three weeks or more, and so on, from which can be obtained the probability of being idle less than one week, one to two weeks, two to three weeks, and so on. The probability of being idle ten to eleven weeks, for example, is also the probability that contributions will be made for forty-one and a half weeks on the average, so that the one set of probabilities is useful in computing both the average period for which contributions will be made and the average number of idle days in the year from all causes.

It was decided that the standard of unemployment to be provided for should be substantially that of the eleven years ending May 31, 1931. While this period was extraordinary and showed violent extremes, there may be reasons for thinking that the next ten or eleven years may settle down to as high an average level of unemployment without the extreme variations. In any event it can hardly be considered unreasonable to aim at making provision for the average unemployment of those eleven years.

The calculation of the contributions for the benefits in the bill were in the main based on

(1) Data concerning "working time lost" (all causes) as obtained at the census of 1921 and of 1931, and time lost through illness in the year preceding the census date (June 1), separately for males and females.

(2) Intercensal data compiled by the bureau of statistics, largely from returns obtained monthly from employers of labour, males and females combined, and

(3) Data concerning time lost through strikes and lockouts 1921-31, from the records of strikes and lockouts published monthly in the Labour Gazette.

All of these data were compiled by the bureau of statistics specially for the purposes of this report, having regard for industries and occupations to which the scheme of the bill extends.

"Working time lost" or "time idle" for census purposes includes (a) loss of job ("no job"), (b) temporary lay-off, (c) illness, (d) accident, (e) strike and lock-out, and (f) other causes. The percentages of time lost due to the several causes are as follows:

Unemployment and Time Lost: Wage-earners of all Industries and Occupations, Canada 1930-31
(Compiled by the bureau of statistics)

Cause of lost time	Males %	Females %	Both sexes %
No job	81.15	73.66	80.26
Temporary lay-off	12.25	14.87	12.56
Total	93.40	88.53	92.82
Illness	5.21	9.69	5.74
Accident	1.00	.39	.93
Strike or lock-out	.04	.06	.04
Other causes	.35	1.33	.47
Grand total	100.00	100.00	100.00

In compiling the unemployment data, however, by periods of unemployment, causes of unemployment are not distinguished; the data are for all idle time. These data are appropriate for computing the time for which contributions will be paid, but require adjustment to arrive at the number of days on the average for which unemployment benefits will be paid under the scheme of the bill. The 1921 census data used, reduced to the basis of 100,000 wage earners, are:

Males and Females—All Canada

Persons idle according to periods of idleness

Time idle (in weeks)	Number of persons idle
0	59,406
1–4	8,480
5	962
6	1,936
7	541
8	3,941
9	658
10–13	6,773
14–17	4,113
18–26	7,997
27 and over	5,193

Persons idle for the number of weeks indicated or more

Time idle (in weeks)	Number of persons idle
0	100,000
½	40,594
4½	32,114
5½	31,152
6½	29,216
7½	28,675
8½	24,734
9½	24,076
13½	17,303
17½	13,190
26½	5,193

The following additional data relating to the 1921 census may be of interest.

	Per 1921 census data	Per 100,000 wage earners
Number of wage earners, June 1, 1921	1,225,316	100,000
Number idle at some time in year ended June 1, 1921	497,423	40,595
Number idle on June 1, 1921	145,898	11,907
Number who lost time through illness in year ended June 1, 1921	150,088	12,249
Number of weeks lost through illness in year	1,078,878*	88,049*

* Approximate.

In compiling the 1921 census data the results were tabulated for each of the weeks 5–9, and the data are thus reproduced in the above table to illustrate the possible extent of the local shiftings in the data. Curiously enough, there is no evidence of concentration on five weeks of idleness.

The following table based on the 1931 census, but mainly by four-week groups, also shows evidence of local shiftings.

The group 25–28 may be noted in comparison with the preceding and following group.

The 1931 census data used, likewise reduced to the basis of 100,000 wage earners, are—

Males and Females—All Canada

Persons idle according to periods of idleness		Persons idle for the number of weeks indicated or more	
Time idle (in weeks)	Number of persons idle	Time idle (in weeks)	Number of persons idle
0	53,181	0	100,000
1–4	4,321	½	46,819
5–8	4,265	4½	42,498
9–12	4,716	8½	38,233
13–16	4,016	12½	33,517
17–20	4,008	16½	29,501
21–24	3,646	20½	25,493
25–28	6,229	24½	21,847
29–32	3,749	28½	15,618
33–40	5,278	32½	11,869
41–48	2,653	40½	6,591
49	3,938	38½	3,938

The following additional data relating to the 1931 census may be of interest.

	Per 1931 census data	Per 100,000 wage earners
Number of wage earners, June 1, 1931	1,719,834	100,000
Number idle at some time in year ended June 1, 1931	805,205	46,819
Number idle on June 1, 1931	370,966	21,570
Number who lost time through illness in year ended June 1, 1931	87,062	5,062
Number of weeks lost through illness in year	1,054,763	61,329

Perhaps the committee will remember that this is a smaller figure, actually, than is shown by the 1921 census, that figure being 1,078,898. But the actuaries pointed out that this figure could be established not actually but only approximately, whereas in 1931 special instructions were given in connection with the census. I think the right hon. gentleman had something to do with the preparations for that census, and it fell to the late Minister of Trade and Commerce to carry it through. Special endeavours were made to ascertain the exact number idle on the first day of June, 1931, and the figures were 87,062 out of the entire working population of 1,719,834.

[Mr. Bennett.]

No, those figures are not correct; I have transposed them. The number idle was 370,966, while the number losing time through illness was 87,062.

The numbers idle, per 100,000 wage earners, as shown in the final column of the 1921 census table, page A3, and in the 1931 census tables on this page, were plotted on cross-ruled paper according to the time idle in weeks, and a curve was drawn with a spline among the plotted points. From these curves were read off the probabilities of being unemployed less than one week, one to two weeks, two to three weeks, and so on. The 1921 and 1931 probabilities were not used directly in the computation of the rates of contribution, but from these probabilities and the probabilities for the nine year period, 1922-30, the probabilities for the eleven year period, 1921-31, were computed,

the latter probabilities being the main basis used in determining the contributions. All of these probabilities are shown on page A8.

If it should be noted that, in drawing all of the probability curves referred to in the next preceding paragraph, the spline was sloped so as to increase the probabilities for the periods of idle time approaching zero, for it is believed that a substantial proportion of those reporting no idle time in the census year had in fact short periods of idle time. Those who had had several short periods of idle time of, say, one, two or three days, might easily forget the whole or a portion thereof in the course of the year, or might not think it worth while to report what might appear to be a trifling amount of idle time.

By drawing the curves in this manner indicated above, the average idle time as computed from the curve probabilities is larger than if the census data were adhered to more closely in drawing the curves, but there is practically no addition to unemployed days for benefit purposes, for, under the scheme of the bill, the first nine unemployed days are excluded for benefit purposes. There is a slight reduction in the average number of weeks of contribution, and this is on the safe side.

I am perfectly willing that this section should stand, but I read this so that hon. members may have no doubt as to the basis upon which the measure has been framed. Mr. Watson, the actuary from whose report I read, is associated with the actuarial branch of our insurance department, and he enjoys a very high reputation. But the government believed that the members of the house would require information from some other source, and the other day I tabled a report by Mr. Wolfenden, a consulting actuary, who has given a great deal of time to this matter.

I should like to answer, if I might, one criticism, and that is that this measure should have been introduced last year. The census was completed in 1931. In the debate that arose on a resolution presented by the hon. member for Winnipeg North Centre I promised that if we were alive before we ceased to be a government—at least before we dissolved parliament—we would ask the house to consider an unemployment insurance measure. More perhaps than hon. members opposite are concerned I have been concerned in trying to expedite this measure. It has not been easy to sift out all the figures to which I have directed attention, as shown by the census. If any hon. gentleman thinks the tabulating of the returns of a census is a simple process, all he has to do is go up to the statistical branch and observe the operation of the machines by which definite information is tabulated. That information was long in preparation and difficult of computation. Then it had to be compared with the information obtained in 1921, and an average had to be made in order to be able to provide, with some degree of actuarial certainty, for the contingencies with which the bill deals, bringing the information down to 1934. So these figures have been framed on an eleven year period, which it is believed will be as adverse a period against the fund as it would be possible to conceive under ordinary conditions, for, as is pointed out by Mr. Watson, we would be unwise if we projected ourselves into the future with a too optimistic mind, and on the other hand we would be unfair if we dealt with the matter with a mind too pessimistic. So, taking the figures during the eleven year period ending in 1931, you have the result to which I have referred.

There is one further word I should like to say in consequence of the observation made by the hon. gentleman who has just taken his seat. In the very nature of things legislation of this kind can become operative only after it has been in force for a considerable period of time. The greatest social reformer of our modern times, dealing with this legislation, pointed out how unwise it is for a people to endeavour to predicate their position upon no change, and how desirable it is to try to look into the future for a period of at least two years. In the effort that is represented by this bill there has been an endeavour to look beyond the confines of today and visualize at least to some extent the conditions that may exist two years hence, at the lowest, so that the operation of the bill, if there were a recurrence or even a continuance of conditions of depression, would find the country at least equipped to meet it. The corresponding benefits, with the adjustment of benefits to the farming and labouring population, comes about through the exercise of their purchasing power on the one hand and, shall I say, so far as this is concerned, from the very earnest endeavour that has been made that even more than equally corresponding benefits should be conferred upon the agricultural population. I read this report in order that it may be before the committee, because it is difficult for all to have access to this document.

Now I think possibly it is desirable to put the following table on the record, because many hon. members are particularly interested in it:

[Mr. Bennett.]

The following is a summary of the intercensal unemployment data compiled by the Bureau of Statistics based on statistics from many sources, but mainly from monthly returns made by employers of labour.

Males and Females in the employments coming within the scope of the Scheme of the Bill—1922-30—All Canada

—	Year ending June 1st									Average, 1922-30
	1922	1923	1924	1925	1926	1927	1928	1929	1930	
Number of workers	1,356,835	1,490,855	1,548,326	1,493,623	1,516,542	1,634,141	1,691,719	1,848,493	1,874,981	1,605,833
Number losing no time	907,723	1,015,272	1,021,895	1,030,600	1,122,241	1,174,947	1,256,947	1,397,461	1,316,037	1,125,689
Number losing some time	449,112	475,583	526,431	463,023	394,301	459,194	434,772	451,032	558,744	480,144
Per cent losing time	33·1	31·9	34·0	31·0	26·0	28·1	25·7	24·4	29·8	29·9
Total weeks lost	7,598,276	8,348,788	10,218,952	8,663,013	5,914,514	8,007,291	7,781,907	7,948,520	12,562,373	8,832,082
Average weeks lost by idle	16·9	17·6	19·4	18·7	15·0	17·4	17·9	17·6	22·5	18·4
Average weeks lost by all workers	5·6	5·6	6·6	5·8	3·9	4·9	4·6	4·3	6·7	5·5
Per cent idle	10·8	10·7	12·6	11·2	7·5	9·5	8·9	8·3	12·9	10·6

I apologize for having taken so much time to read these figures, but I think it only fair to the committee that they should have them before them. Unless this long document were printed, dealing with matters some of which are not of very great interest to the committee, there would be no other way of giving the information to hon. members; for that reason I have taken the time to read it. If it is the desire of hon. members, further consideration of section 6 may stand until they have had the opportunity to examine the figures I have placed on the record.

Mr. POULIOT: Before it stands may I say—

The CHAIRMAN (Mr. Smith, Cumberland): The hon. member for Gloucester has the floor.

Mr. VENIOT: The Prime Minister has given the figures for 1923, 1924, 1925, 1926, 1927, 1928, 1929 and 1930. Could he give similar figures for the years 1931, 1932, 1933 and 1934?

Mr. BENNETT: No, although I did give the approximate figures respecting 1932 and 1933. I cannot give them with respect to 1934. I shall look them up again and see if I have them here.

Mr. HANBURY: They could be made part of the table.

Mr. POULIOT: I do not wish to interrupt, but first of all I wish to tell the right hon. gentleman opposite that I used no violent language; I was just in an indignant mood, that is all. I am pleased to note that the hon. member for Gloucester has brought up the matter to which he has just referred. The figures which the right hon. gentleman has quoted are a vindication of the policy the Liberal government followed during the nine years they were in power. Why is that so? Because the figures he has read show only a very small number of unemployed in that time. When he goes to the country he will give the figures of the working men during the time the Liberal party was in power. Let him give the figures showing the unemployed, so that the people may be in a position to subtract that number from the number who were working in 1930. Sir, the Prime Minister has been most unfair in the manner in which he has presented his figures. I have nothing to say about Mr. Watson. He may be a very honourable gentleman, and I am not attacking him. However I have quoted figures long enough to know that figures can be digested only after they have appeared in Hansard. The Prime Minister may read tables, but who understands them? What difference does it make whether the Prime Miinster says "females, 20·5; males 30·5; both sexes 25·056"—what difference does it make? Let him give other figures. I imagine people with pencils and paper calculating these figures; they come here and say that this or that will save the country. We have had enough of that. The Prime Minister is too serious a man to give us figures of the time the Liberal party was in power, and then say to the people, "This is the number of people who will take advantage of this scheme of unemployment insurance." That is most unfair, and untrue. Why? Because there are so many unemployed now that of three men one man works, one does not work and one works only part time. The man working part time is supported by the man who works all the time. For that reason the man who works all the time has to support not only himself and his family but also the unemployed and the man who works part time. Sometimes he has many children, and the added burden is very great. To quote now figures showing conditions during the time the Mackenzie King government was in power is an absurd procedure.

The question asked by the hon. member for Gloucester was a timely one. Let them come here on February 18, 1935, give the actual number of unemployed and the actual number who are working, and then they will have to tell all the unemployed, "This insurance scheme is of no use to you." On the other hand the government will have to tell the people who are at work now, "We have a scheme for you. You will get something if you pay, and if your employer pays, and if this legislation is declared valid by the courts of this country. Otherwise you will get nothing." The Prime Minister has been very careful in his remarks. I have often heard him say: It is a move in the right direction. But he changes so often that he might change before this is put into force. He has changed about tariffs, and about many other things. He might change about this, and then the people will have nothing. But the election will be past and in the meantime his party expects to take advantage of this legislation. I mention this because it is my deep conviction that this legislation is only humbug and bluff, and we are not here to listen to humbug and bluff.

We hear hon. gentlemen opposite speak of the legacy received from the former administration. I see one of my friends on the

treasury benches smile at that. He knows he has used that language. I also see another friend of mine from the province of Quebec speaking to one of his colleagues when he should be listening to this. I have heard him say over the radio: What a legacy we received from the Liberal party! Well, the legacy he received was the figures which the right hon. gentleman has just quoted about the numbers of men who were working. Let him look at the change in 1930 as compared with 1929, the small drop in the number of men who were working in 1930 at the time when the Tories were paying people to wear white buttons and parade as unemployed in order to disturb the meetings of my right hon. friend the leader of the opposition. That is what was done, and it was just bluff and humbug in 1930 as it is bluff and humbug now.

During the adjournment I happened to meet Rip Van Winkle, who had been asleep since July, 1930, when he heard the present Prime Minister say at Moncton, "I will end unemployment or perish in the attempt." He asked me: "What is going on now in the house"? I told him: "Unemployment insurance," and he asked me: "How is that? Unemployment should have been cured before now. Who is putting it through"? I said that it was the hon. member for West Calgary, and Rip Van Winkle asked: "Who is the hon. member for West Calgary? Surely he has been defeated, because if he had become prime minister there would have been no unemployment in this country." I replied: "No, Rip. It is a most extraordinary thing. He did not perish in the attempt, but the country has perished in the attempt, and the number of unemployed is now so great that he is afraid to state the correct number of unemployed to the House of Commons."

The Prime Minister says he will come to their rescue, but how can he when he does not know their number, does not know where they are or how they are? The only thing he knows is the amount that was paid by this government to the provincial governments, and about some schemes to give a chance to profiteers to make money out of building wharves and things like that. That is all he knows about. Let me tell him, as I have very often told his supporters, and the members of the government, that they should create a wall around him to give him time to think about the business of this country, instead of being importuned by callers who come seeking jobs. I know very well that if the right hon. gentleman had been left alone, instead of being encouraged in this policy of desperation, in this nefarious policy, by people who call themselves his friends but are not, the policy of this government would have been entirely different. But to-night I have the satisfaction of my life. I see the vindication of the Liberal party, a vindication of the Liberal policy during the ten years the Liberal party was in power, and in future when one hears any Tory member opposite say "Look at the legacy we received from the Liberal party," the reply will be, "Remember Mr. Watson's figures which were read and taken as his own by the Prime Minister on the night of February 18, 1935." Then they will be just as dumb as ministers of the crown.

[Mr. Pouliot.]

Mr. BENNETT: Mr. Chairman, when I hear the high crescendo of the hon. gentleman I sometimes think of Tennyson's words:

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

It cannot but impress itself upon one's mind in that way. I did endeavour to read the figures which were prepared by Mr. Watson, and which for purposes of computation have been used as I indicated. I read them into Hansard, so that if the committee desires the section to stand, it may do so and be considered in the light of the figures I have read.

Mr. McPHEE: Has the Prime Minister the figures on hand of the unemployed in 1931?

Mr. BENNETT: I have not the figures but I will give them before we get through, from another angle altogether when we come to deal with the question of computations.

Mr. MULOCK: Did I understand the Prime Minister to say that all these people will come under this measure?

Mr. BENNETT: I did not say that.

Mr. MULOCK: Or is that the number of those employed?

Mr. BENNETT: They were the people employed who were reported to the office of the dominion statistician. It has been explained here on more than one occasion that the basis of contribution has at times been changed because a larger number of operating industries had reported at one time than another, and the number of people employed had increased. But those are the figures on which the actuaries proceeded in making the computations they did for the periods of time I have indicated.

Mr. ELLIOTT: If this section is to stand there is a suggestion I should like to make to the Prime Minister, and that is that he recast the section. It is a question of drafting. It seems to me that if the section ended where subsection 2 starts, and if that were made a new section, the whole thing would be a good deal clearer. I just want to leave that suggestion with the Prime Minister and see if it is not possible to clarify this section, which is pretty much involved as it stands at the present time.

Mr. BENNETT: Is the hon. member referring to the printed section 7, the renumbered section 6?

Mr. ELLIOTT: The printed section 7.

Mr. BENNETT: Now section 6. Frankly I cannot see any difficulty about that but I will look it over.

Mr. ELLIOTT: If the Prime Minister will consider it, I think he will perhaps see that it could be made clearer.

Mr. McPHEE: The figures given by the Prime Minister in connection with the unemployed in 1931 are very much at variance with the statement he gave to the house on September 10, 1930, during the special session, and I think it just as well the committee should be advised of the figures given to the house by the Prime Minister himself at that time.

The figures he gave to-night from Mr. Watson would indicate that 320,000 were unemployed in this country in 1931, while the figures given by the Prime Minister himself on September 10, 1930, indicate that only 117,000 were unemployed at that time. That is, the number had been increased by 200,000 in that one year. I quote the figures as given to the house by the Prime Minister on September 10, 1930, at page 63 of Hansard:

> I find that at present in the province of Alberta there are 5,155 unemployed; during the winter it is contemplated that that number will reach 6,650. In British Columbia at the present time the unemployed number 7,692 and it is expected that during the winter that number will increase to 14,700. In the province of Saskatchewan the present number given is 5,276 and it is expected to rise during the winter to 8,201. In Manitoba the figure is now 6,950, with a possible 9,600 in the winter. In Ontario the figure is given as 49,367, rising to 82,214.

I might interject here that in the city of Toronto alone there are at present some 26,000 families on relief. The Prime Minister went on:

> In Quebec the present number is 41,190, as against an anticipated number of 49,290. In New Brunswick the present number is 500 and it is expected it may reach 2,850. In Nova Scotia the present number is 1,800 and it may rise to 2,350.

Prince Edward Island is the only province not mentioned in the list. Later on the Prime Minister says:

> It will be observed that the present number is something over 117,000, and it is believed that number will approximate 177,000 during the winter.

Mr. HEAPS: According to the figures the Prime Minister submitted this evening it appears that there was an average unemployment, of those who were partly employed, of 18.4 weeks per year. What effect would such a condition have on the insurability of part time employees? Can the Prime Minister give us that information to-night? If not, I should like to have it when this section is again under consideration.

Mr. BENNETT: This whole plan is based upon the figures prepared by the actuaries on the bases that I have indicated to the house; and to add to or take from them would necessarily change the actuarial computations.

Mr. HEAPS: I do not think I have made myself clear. The bill provides for a certain number of payments per annum for persons to become eligible for the benefits of its provisions. Now according to the tabulation given us this evening it appears that there was an average unemployment, of those partly employed in industry, of 18.4 weeks over a period of years. Let us assume that a person is unemployed for four months of the year; what would be the position of that man under the bill? Would he be entitled to its benefits, or would he be entitled if his employment were intermittent? In that event would he be debarred from the benefits contemplated here?

Mr. BENNETT: He is entitled to seventy-eight days or thirteen weeks commencing nine days after his unemployment begins, plus such benefits as may have accrued to him by reason of his having been continuously employed in a period of time up to as long as five years.

Mr. BOTHWELL: Under this section it is provided that the commission may make proposals to the governor in council in connection with various matters—extension of insurance to excepted employments, assistance for unemployed, training of unemployed, and so on. The contributions under this bill are worked out actuarially and I have been wondering where the money will come from to provide for this work under this particular section. There does not seem to be in the bill any other section that provides for the government to put up anything except its

share of the contributions and administration expenses; and particularly under paragraph (c) of subsection 1 it is provided, in co-operation with educational authorities and institutions or otherwise, either generally or in certain areas for any class or classes of such persons, that there shall be physical and industrial training with a view to maintaining or increasing their industrial fitness, and so on. That has reference to unemployed who will not contribute at all to the building up of a fund. Where is the money to come from? Will it be necessary to amend the act or to make a special grant?

Mr. BENNETT: That is the reason the report is made to the governor in council, to determine what action shall be taken. It involves of course financial provision.

Mr. VENIOT: If I understand it rightly, the actuaries based their calculations on the figures given us by the Prime Minister to-night covering the period from 1922 to 1930. If we cannot get the details of the employment from 1931 to 1933, how could the actuaries be correct in the basis laid down for future contributions if they have not taken into consideration the years 1931, 1932, 1933 and 1934 as minutely as they have taken into consideration the years from 1922 to 1930?

Mr. BENNETT: The hon. gentleman did not follow the report of Mr. Watson showing how be plotted his curve on the basis of the information he had. If the hon. member will read the report carefully I will answer his questions in the light of the statements made therein and of the sections of the bill as well as of the information I put on Hansard.

Mr. MACKENZIE KING: Did not Mr. Watson say in some report that one of the effects of such a measure might be to increase the number of unemployed inasmuch as in periods of depression employers, having to pay into a fund, might be inclined to drop some of their staff, also that others would allow employees to be carried on unemployment insurance whose services might be otherwise retained. I saw a reference to a report—I thought it was made by Mr. Watson—to that effect. Did he submit any such report?

Mr. BENNETT: I do not recall that, in either the report of Wolfenden or the report of Watson, though I recall something similar in the English report—I believe, in the report of the royal commission on unemployment insurance. I will try to ascertain the facts by to-morrow.

[Mr. Bothwell.]

Mr. VENIOT: May I call attention again to these figures. In making comparisons showing the number of employed as of June, 1931 the Prime Minister gave the figure 1,719,834. He mentioned that number at the beginning of his remarks, and when I asked the question he must have forgotten this figure because he said he did not have it for 1931.

Mr. BENNETT: I thought the hon. member said 1932, because I had read 1931.

Mr. VENIOT: There has been a misunderstanding between us.

Mr. BENNETT: I thought the hon. gentleman referred to 1932, 1933 and 1934.

Mr. VENIOT: When we come to this section again I should like to have the same detailed statement for 1932, 1933 and 1934 that the Prime Minister gave for 1931.

Mr. BENNETT: It is impossible to give it in the same detail, for on June 1, 1931 the census was taken and these are census figures. But the figures for 1932, 1933, and I hope at least part of 1934, I will give to-morrow, because they are the sum total of those employed and reporting. There is a distinction between those that report and those that do not, because there are many employed in this country with respect to whom no report is made to the statistical department, as has been frequently pointed out in this house. As regards those who report, however, I will furnish the committee with particulars.

Mr. VENIOT: The figures given for the years from 1923 to 1930 are based on returns submitted to the statistical department by concerns employing people throughout the dominion. If that could be done in those years and in that way, why can it not be done for 1931, 1932, 1933 and 1934 in a similar way, without reference to the census?

Mr. BENNETT: I have these figures but not beside me; I had only that part of the report that I read. But I said a moment ago that the figures for 1931 are census figures and therefore they check more fully against actual conditions as reported by employing concerns. The census figures for 1921 are also given. From 1923 to 1930 the figures were sent to the statistical department by reporting concerns; 1931 is a census figure; and 1932, 1933 and 1934, as far as I can give it, will be provided.

Mr. MITCHELL: I do not know what we are discussing but I am still on section 7.

The CHAIRMAN: It is section 7 as printed. We are under paragraph (b).

Mr. MITCHELL: Paragraph (a) reads:

Providing unemployment insurance for the employments excepted from the operation of part III of this act, or for any of them, either by extending thereto the provisions of that part, with such modifications, if any, as may be found necessary, or by special or supplementary schemes.

What is contemplated by the government where the paragraph reads, "by special or supplementary schemes"?

Mr. BENNETT: Just what it says, following the language that was employed in one of the other acts, amplified to some extent, that, this being a new bill, these commissioners will make their inquiries and the result of their inquiries will be made in a report to the governor in council who will then determine whether financially and otherwise such proposal will be made effective. That is what that means. The one that follows is somewhat similar, but it provides for the assistance, during unemployment, of persons ordinarily employed in any of the employments excepted from the operation of part III and those who are ordinarily employed in insurable employment but who for the time being are not entitled to unemployment insurance benefit under this legislation.

Mr. MITCHELL: Would this take within its provisions say an insurance company that already has a scheme somewhat similar to this?

Mr. BENNETT: They are not included in the bill.

Mr. MITCHELL: This does not give power to include those?

Mr. BENNETT: Not this provision. A later one may be open to that construction.

Mr. MACKENZIE KING: I have the reference to what I had in mind. In the Ottawa Journal of February 15 the following statement is made based on a report tabled by the Prime Minister. It refers to Mr. Watson:

If a high degree of stability in employment were attained, said Mr. Watson, the chief function of unemployment insurance would be to tide workpeople over short periods of unemployment between jobs.

The policy, however, has itself the tendency, for various reasons, to increase unemployment. Mr. Watson cited these as follows:

Good employers, accustomed to retaining their workers during slack periods, use the unemployment fund to carry surplus staff over these periods.

Many workers once on benefit are "not so zealous in their search for work as they would be if they had no income at all."

Unemployment insurance tends to induce an over supply of workers to seek employment in insured industries and those who lose employment are less ready to take uninsured employment.

And so forth. Evidently Mr. Watson has made a report somewhere.

Mr. BENNETT: It is in that document from which I read; I sent it to Hansard.

Mr. MACKENZIE KING: Is it in the report the Prime Minister read to-night, and if so will that appear in Hansard?

Mr. BENNETT: The whole report made by Mr. Watson has been tabled. I have read only from the part dealing with the figures which I had in my notes, and I sent it to Hansard. But I have no doubt it is in the document that was tabled if the paper says it is, because it was from that document that the paper took the extract. I think somewhat similar observations were made with respect to the English system at the time it was introduced.

Mr. GARLAND (Bow River): So far as this general clause is concerned, it would appear to be a direction to the commission that is to be appointed, and so perhaps it would be unfair on my part or on that of any other hon. member to draw any hard and fast conclusions therefrom. But reading paragraph (c) in conjunction with the British act I find a very close similarity in language between the two. Am I correct in assuming that most of the clauses under paragraph (c) are taken almost word for word from the British act?

Mr. BENNETT: Yes.

Mr. GARLAND (Bow River): That would imply, therefore, the application of some type of system in Canada eventually similar to that now operating in Great Britain?

Mr. BENNETT: Not necessarily.

Mr. GARLAND (Bow River): I hope not. I am glad to hear the Prime Minister say that. Under the British act there is a provision which compels employers to notify the minister—in this case it would be the commission, I presume—in the case of the discharge of any young worker between the ages of fourteen and eighteen. The object of that, so far as the act seems to be concerned, is that they may be instructed to attend compulsorily some local training camp, or industrial centre, as it is euphoniously termed. If children of fourteen or fifteen years of age fail to attend, action may be taken against the parents and the parents may be fined a

certain sum for not compelling their child or children to attend such an industrial centre. Furthermore, the minister can then take proceedings under the Education Act of 1921 or the Education, Scotland, Act, of 1918, or the Day and Industrial Schools Act, Scotland, of 1893, to remove the young workers entirely from the parents' control and order them to be placed in the charge of other relatives or a person named by the minister, or order their attendance in a reformatory school. In other words, the minister may order young workers to enter such a place for a period that may be three years or less, at least until they are eighteen years of age. The reason for that in Great Britain is clear. It is that the benefits under their act appear to be quite insufficient to enable the parents adequately to take care of themselves and their children. I am content that the Prime Minister is seized of the great social importance of having the children kept in the home, especially at that extremely delicate age, fourteen to sixteen, the age of adolescence, a most dangerous period for both male and female. I would suggest therefore that in the consideration of any scheme under this clause of the bill regard is had to the necessity for taking proper precautions to see that the children are not taken from the parents unless there is some other reason, for instance, criminal taint or mental taint or something of that sort. If the parents are satisfactory citizens; if they are doing the best they can, they should be assisted financially in sending their children to suitable schools in the vicinity, and even in going to high school, but the children should never be taken from under the care of the parents. I sincerely trust the Prime Minister, although he has no children, will see that the minister, if he happens to be in control, will take that fact into due consideration. I am frankly opposed to the British system in this regard.

Mr. BENNETT: I think the point is very well taken, but I think also the hon. member for Bow River will at once admit that conditions that obtain in Great Britain are not similar to those that obtain in this country. For instance, our truancy acts and compulsory attendance in schools are entirely different from what they were in England at one time; I think there has been some modification during the last two years, although I am not quite certain as to that. In Ontario I think children are compelled under compulsory provisions of the statute and of the Truancy Act to attend school until they are sixteen; that is my recollection. In Alberta we have somewhat the same provisions. In Great Britain they endeavoured to raise the age to sixteen and there was a great deal of difficulty about the matter. I do not think the hon. gentleman need fear any effort to enforce the provisions of the statute along the lines he has suggested, at least not while this government is in power.

Mr. HEAPS: I think the Prime Minister when he moved the second reading of the bill said he would have printed the reports of both Mr. Wolfenden and Mr. Watson. The very voluminous report of Mr. Wolfenden covers about thirty pages and that of Mr. Watson a little more. I still think it would be of great assistance if these reports were printed.

Mr. BENNETT: Probably the hon. gentleman was not in his place when I tabled the reports, and stated why I thought it was not desirable to spend the money to print them. If it is the desire of the committee that they be printed, it will be done, but of course it will take some time.

Mr. MACKENZIE KING: As this subject is likely to be of importance for years to come, I think it would be of advantage to have them printed, and it might as well be done at once.

Mr. BENNETT: In that event I will take the necessary action this evening. I think one is a little longer than the other. It was in Mr. Watson's report that reference was made to what the right hon. gentleman now mentions, although not in those terms. Paragraphs 3 and 4 deal with the matter, and paragraph 1 dealt with the possibility of there being an increase in unemployment from the fact that unemployment insurance is payable. The words were:

(3) Unemployment insurance tends to induce an over-supply of workers to seek employment in insured industries, and those who lost employment are less ready to take uninsured employment.

I shall take steps to have both these reports printed.

Mr. HANBURY: This section provides only, I understand, for the commission making proposals for the consideration of the governor in council. They cannot of themselves make any of these various clauses effective. Could the governor in council make the recommendations effective without submission to parliament?

Mr. BENNETT: That would depend entirely upon what the provisions were. Obviously with respect to financial commitments in a large way they could not. With

respect to regulations provided for in the statute, they might be able to authorize them. It is intended that the commission shall not of its own mere motion commit the government to expenditures that would be at variance with the general principles upon which the statute is based, but it would report to the government, which would determine as a matter of policy what action should be taken.

Mr. HANBURY: I understand then that if a change suggested by the commission were acceptable to the governor in council the governor in council could make it effective if it did not require contribution by the federal government; if the funds provided through the insurance were sufficient they could make it effective without submission to parliament?

Mr. BENNETT: The general principles of the bill determine within themselves the limits of the powers of the commission, both to initiate and to administer. With respect to initiation their powers are powers of reporting to the government. The government must determine what action shall be taken within the ambit of the bill itself. If it involves expenditures which would throw the machinery out of gear from an actuarial standpoint, obviously neither party would make such proposals effective until there had been readjustment under the statute itself to deal with the disequilibrium between premiums and benefits. The scheme could not be operated on a basis that would make it insolvent. That is the reason these provisions are very definite in their terms.

Mr. HANBURY: In that event any change would require submission to parliament?

Mr. BENNETT: Yes.

Mr. NEILL: Was it under this section, or if not what section, that the Prime Minister promised to reply to the hon. member for Assiniboia (Mr. McKenzie) with regard to coal miners? I am interested also; I spoke of this on the second reading of the bill.

Mr. BENNETT: No; it is a later section, dealing with those entitled to benefits.

Section stands.

On section 8—Officers and employees to be appointed under Civil Service Act.

Mr. HANBURY: I think this is the item about the cost to the federal treasury?

Mr. BENNETT: No, this is not the clause.

Mr. HANBURY: Well, subsection 3 says:

> The costs of administration of this act, including remuneration of commissioners, officers, clerks and employees, shall be paid out of moneys provided by parliament.

The Prime Minister might give the information in connection with that clause.

Mr. BENNETT: With respect to that subsection the estimate given varies. In Great Britain they estimated the entire cost at about twelve and a half per cent of the sum passing through their hands. If the fund were to consist of $42,000,000 the dominion would pay one-fifth of the joint contribution of the employer and the employee; in other words the dominion pays one dollar to five dollars paid by the employer and the employee, which is one-sixth of the total, plus the cost of administration, estimated at somewhere between twelve and a half and fifteen per cent. That is the figure incorporated. The expenditure for administration I am putting at possibly fifteen per cent, which would mean an expenditure of something over $7,000,000.

Mr. HANBURY: That would be in addition to the contribution of the government to the fund itself?

Mr. BENNETT: Yes.

Mr. HANBURY: Is that money to be provided for in the estimates?

Mr. BENNETT: Yes. When the Old Age Pensions Act was under consideration it was provided that the money should be taken out of any undistributed moneys in the consolidated revenue fund. All that can be done so far as parliament is concerned in the first year of this bill will be to make an estimate. Whether or not it should be dealt with as the old age pensions provisions were dealt with, or by a special estimate, has not been determined.

Mr. GARLAND (Bow River): Some discussion took place before recess that should have taken place on this section, as to the question of appointments by the civil service commission. I suggest to the Prime Minister that subsection 2 of section 8 is ambiguous. It reads:

> For the purposes of any investigation, or for any other purpose of this act, the commission may, subject to the approval of the governor in council, from time to time temporarily employ such persons of technical and professional attainments as the commission may deem necessary.

Taken in conjunction with subsection 1 it indicates to me that all technical and professional appointments will be made under patronage, because subsection 1 simply says that the commission may employ, pursuant to the Civil Service Act, "officers, clerks, and employees;" it does not mention technical or professional services of any kind. If the Prime Minister would change the wording of subsection 1 very slightly, as as to make it read:

> The commission may employ such officers, clerks, employees and such persons of technical and professional attainments for the purposes of this act as the commission may deem necessary—

—then the situation would be much clearer. As it stands now it would appear that technical and professional appointments can be made only under subsection 2.

Mr. BENNETT: The bill as written exactly represents the intention of the government. It refers first to the permanent employees of the commission; they are to be appointed by the civil service commission. Temporary employees, experts for any particular purpose, are appointed by the governor in council; it has been so with respect to such matters in all countries, and I suppose will continue to be. Where you do not desire to employ an expert continuously, or where you engage, as we have, the services of a professor from one of the universities, or a consulting actuary, he is treated as being an expert for a specific purpose. It will be observed that the word "temporarily" governs the whole provision—"temporarily employ such persons of technical and professional attainments as the commission may deem necessary." When the commission deems them necessary for temporary employment the governor in council must approve.

Mr. HEAPS: The question of administration was raised a moment ago, and I should like to refer back to that question. The Prime Minister pointed out that the administration cost in Great Britain was approximately 12½ per cent of the fund, and he estimated that approximately the same amount would be involved in Canada. If I remember correctly the last figure I saw, contributions in Great Britain consisted of 8d. by the employer, 7d. by the employee and 7d. by the state, a total of 22d. or 44 cents. Twelve and a half per cent of that would be approximately 5½ cents, which would represent the cost of administration in Great Britain on that basis. Under this act we propose that the employer will contribute 25 cents, the employee 25 cents and the government 10 cents plus the cost of administration; I am speaking of male employees over the age of twenty-one. Twelve and a half per cent of the 60 cents would be approximately 7½ cents. I do not know whether the cost of administration here will run approximately 40 per cent more than the cost in Great Britain. Probably we will have an opportunity of discussing this aspect of the question later on, but assuming that it will cost 7½ cents for administration for each person that would only bring up the contribution of the government to 17½ cents per person as against a contribution of 33 per cent on the part of the British government. This is one place where the government has not seen fit to follow the British precedent. Probably when the time comes to discuss the question of contributions we will refer to this matter again.

Mr. MACKENZIE KING: Has the Prime Minister any idea how many officers and employees will be required for administration?

Mr. BENNETT: This starts with the labour exchange as the lowest unit, and the communities will be divided into sections having regard to the size of the country. Perhaps the maritime provinces, the two large central provinces and the west will comprise the separate units, or there may be four, five or six. The number of employees will vary, of course. At first it may require a little larger number than later, because it will be necessary to get in some collected form the information which is available from the local communities. The exchange offices already have the basis of that information, as the right hon. gentleman knows, and the extent to which it will have to be amplified will depend upon the detail with which the commission will require the information to be furnished. I have formed no estimate as to the number, because, as is known, from year to year we vote a sum of money to maintain these labour offices. That sum of money would now be made available for the maintenance of these labour exchange offices, and in large centres of industrial activity such as the two central provinces there would be a vastly greater number of employees than in the smaller industrial centres, represented for instance by the maritime provinces or by the agricultural communities of Saskatchewan or Alberta, in part, although Alberta would have a considerable number by reason of its industrial activities as a result of its mineralization and lumbering. I have not formed any estimate as to the number, but I will make

further inquiries and ascertain if it is possible to form an idea as to the number that will be required.

Mr. MACKENZIE KING: That is a very important factor, because if this act is to be a federal measure it must be apparent at once that the machinery the provinces have for this purpose can be of no service whatever. In the provinces, where they have the administration of factory, mine and shop acts, they have at hand practically all that is required in the way of staff to administer many of these social measures, but if the federal government is taking it as a federal obligation it will involve, to a considerable extent, I should imagine, the creation of what is sometimes spoken of as a bureaucracy, considering that it will be all new work for the federal government to undertake; and I have no doubt it will require a considerable number of officers throughout the different provinces. Could the Prime Minister indicate in regard to the officers and employees, not the stenographers and such, but the main employees, whether the number would run to five thousand or ten thousand?

Mr. BENNETT: I think the right hon. gentleman has imagined a larger number than I have even thought of. The employment offices, for which in times past we have really supplied the money, under the reorganization will carry on a good deal of this work, and the Department of Labour, which now carries on investigations all over Canada through fair wage officers and so on, together with the inspection of the employment offices, will be able to continue that function. It is through these officers rather than through the administrative machinery of the provinces, at least in western Canada, that this work is carried on. The reports made under the factory and coal mines acts will in no sense be interfered with by this legislation; neither will there be any duplication of effort in that regard. The employment offices have been the medium through which employers have sought employees and employees have sought employment, since they were established in 1919. Now it is proposed to increase their efficiency, but not in any sense to duplicate the effort of the provinces in dealing with their social problems, just as they have relied on these exchanges since 1920 in connection with their employment difficulties. I will make inquiries, however.

Mr. MACKENZIE KING: Will a considerable staff not be required in connection with the collection of contributions by employees and employers?

Mr. BENNETT: We believe that will be very simple. The collection is to be done by the employer, who is to send in his contribution together with the contributions of his employees. That is one of the provisions of the statute, so that should not greatly multiply the difficulties so far as the staff is concerned. I believe the difficulty they experienced in the old country in connection with administration arose from causes other than those, for instance, to which the right hon. gentleman has referred. My own view is that the number required will be very much less than may be thought by those who look at the bill casually. I will make inquiries as to how many are now employed in all the exchange offices throughout Canada, and see if some estimate can be formed as to what increase may be necessary for the purpose of giving effect to the provisions of the statute.

Mr. HANBURY: In connection with this increase to which the Prime Minister has just referred I would remind him that in answer to a question put by myself just a few moments ago he stated that the cost of administration, as I understood it, was expected to be approximately $7,000,000.

Mr. BENNETT: That would include everything in connection with the administration of the act.

Mr. HANBURY: Accepting the figure of $7,000,000, and assuming the expenses in connection with the act to amount to let us say $1,000,000, a total of approximately $6,000,000 would be left to be distributed in salaries. If we take an average income of $1,500 a year this amount would provide for practically four thousand employees.

Mr. BENNETT: From the Atlantic to the Pacific.

Mr. HANBURY: When the leader of the opposition suggested perhaps four thousand or five thousand—

Mr. BENNETT: No; he said five thousand or ten thousand.

Mr. HANBURY: It will provide for about four thousand employees, as I understand it.

Mr. BENNETT: It does not necessarily follow, as I have stated, that this will be the number of employees added. If the existing employees in the Department of

Labour and the employment offices are utilized, it would not involve any such increase as that. As I say, the estimate is based merely upon the amount expended. I thought it undesirable to mention any sum which in view of experience might be regarded as entirely inadequate.

Mr. MERCIER (St. Henri): I thought I saw something in the bill about buying stamps.

Mr. BENNETT: That mode was in part, discontinued. There are provisions here in connection with matters of that kind, but when the act originally came into force—I believe it was in 1920 or 1921—I recall being in England when the first stamps were issued, and it was found that in part that method was undesirable. This statute deals with provisions of that kind. I could not give any estimate which could be regarded as accurate, because I am dealing only with the application of the costs of administration in Great Britain upon the circumstances in our own country, and having regard to what we have already established and what is proposed I shall make further inquiries from the Department of Labour and advise the committee to-morrow.

Section agreed to.

Section 9 agreed to.

The CHAIRMAN (Mr. Smith Cumberland): Shall clause 9, number 10 in the bill, carry?

Mr. MACKENZIE KING: It would be better to call the numbers as they appear in the bill.

Mr. BENNETT: Yes, that would be easier.

Mr. HEAPS: Mr. Chairman, would you mind reading these clauses?

The CHAIRMAN (Mr. Smith, Cumberland): Does the hon. member mean the marginal note, or the clause itself?

Mr. MERCIER (St. Henri): The marginal note is enough.

The CHAIRMAN (Mr. Smith, Cumberland). For section 9 the marginal note is: Organization of Employment Service.

Mr. MACKENZIE KING: I suggest that if we confine ourselves to the numbers as they appear in the printed bill we will avoid confusion; the numbers can be changed afterwards. Section 10 of the bill deals with the matter of the commission organizing an employment service for the dominion. The Prime Minister has already stated we have an employment service which is to be taken over. Is the clause sufficiently broad?

Mr. BENNETT: As I explained to the committee, we have these offices. The extent to which they may discharge the duties called for by this bill is an altogether different question. To the extent to which it may be possible to utilize them, it is proposed so to do, but this measure gives the commission a free hand in the organization of the employment service of the country. To restrict them in the first instance might fasten upon them inefficient persons, and one of the weaknesses I have experienced in my short official life has been that there is no statutory provision for getting rid of the inefficient person; once a civil servant he is a civil servant forever. This provision would enable the commission to organize their service on a basis which they think will be efficient.

Mr. MACKENZIE KING: I refer to this not in any critical sense but rather to avoid difficulties later. If we have an employment service, as it is at present organized under a department which has a responsible minister and deputy minister, a department for which this parliament makes appropriations in the estimates, and we have also a commission which is given its power under a separate act and receives its own appropriations, we could hardly have those two authorities working side by side without conflict.

Mr. BENNETT: I think the right hon. gentleman will follow me when I say that people charged with a responsibility such as that with which the commission will be charged would not desire to be compelled to accept A, B and C. But it has been found in practice—at least it has been my experience—that any effort to transfer services from one direction to another does not meet with the success one would desire. The real reason is a weakness in our civil service law. I have explained on more than one occasion that the weakness is this: No matter how inefficient an individual may be, there is no provision for terminating his service, as the private employer does, except for age or for continued inability to discharge his duties. And in I would not say many, but in several cases at least that have come under my observation, had it been a private enterprise undoubtedly the employer would have indicated to the employee, because of his failure to discharge his duties, the desirability of his seeking employment elsewhere. One of the great benefits

of civil service employment of which one is constantly reminded lies in that fact. I gave my opinion publicly on the point; I do not think it was accepted with very good grace, but I at least mentioned it, and it has been my observation that it was an absolutely sound statement to make, namely that once you get into the service and become a permanent employee, then the statutory increases must follow as a matter of course. Of course that is not the law at all. The law of this country is that statutory increases are based upon merit, upon meritorious service. Unfortunately the feeling has grown up that the statutory increase is a matter of right and of course, but under the provisions of the law, as I read them, that is not so. One of the difficulties in practice, and I believe the right hon. gentleman will agree, would be the transferring of services, and the possibility—and I use the word "possibility"—of making it more or less difficult for the new board sucessfully to function.

Mr. MACKENZIE KING: I have had the impression that the immediate and ultimate aim behind the measure was to form a commission which would gradually take over all these social services, so far as the federal government is concerned, and that this body would have to do with unemployment insurance, unemployment exchanges, old age pensions and, probably, health insurance, which may be added in the course of time.

Mr. BENNETT: That is dealt with here, yes.

Mr. MACKENZIE KING: And that all these social services would come under the commission, which would deal with these matters in a large way. If that is so I should think that as these services are now being performed in part by the Department of Labour there would be some provision under which the Department of Labour would be relieved of them. Surely it cannot be intended to have two bodies carrying on unemployment exchanges and two bodies administering old age pensions; there should be one body which would take the whole matter in hand, either through a commission outside the government service altogether or through a department of labour with enlarged functions.

Mr. BENNETT: I believe the right hon. gentleman's opinion and the opinion I hold are very much alike. There is nothing in the measure which discloses, as he has properly said, the manifest intention of legislation of this type, to endeavour to ensure the efficient administration of social services under a commission which would be set up for the purpose. He has fairly stated what is in the back of my mind; whether I live to see it carried into effect is another matter. But to transfer them by a section of the measure from one body to another is not in my judgment at the moment a proper way to do it. The right hon. gentleman will recall that the provincial authorities have at present a relation to the employment exchanges—labour exchanges—and it is the intention to cooperate with them for the purpose of seeing how this section, and the provisions of this measure may be brought into harmony with their own interests, as they are at present carried on under existing legislation. We supply some of the people and they supply some of them; we supply part of the money. It will be recalled it is a sort of joint enterprise. As soon as the commission is appointed it is proposed that they shall discuss the whole situation with the provinces, and, to the extent that it may be possible, bring their operations in harmony with what the provinces have heretofore done in connection with labour exchanges, under the legislation which is already upon the statute books. If it becomes desirable to make the necessary amendments they will be made in the act relating to labour—I forget the name of the statute at the moment—and in the Old Age Pensions Act. The right hon. gentleman has correctly read what was in my mind, but it is not in any sense indicated in the sweep of this measure at the moment. It depends, of course, upon the human element in making effective the provisions of a statute so as to secure if possible some system of uniformity in the administration of these social services. As I said to the right hon. gentleman this afternoon, we have had considerable difficulty in connection with old age pensions, and I doubt not that he already saw the beginnings of that. We have had to make investigations at times that were most unpleasant because of the effort made to retain a position of effective independence and at the same time to receive the benefits of the Old Age Pensions Act. That has gone on on quite a large scale in more than one part of the dominion. It is unnecessary to make any public statement with reference to it, but that has been the fact. I have in my mind just what the right hon. gentleman has said, but the realization of it is altogether a different thing.

Mr. MACKENZIE KING: The intention then is to leave all existing services as they are, enacting this as a separate measure and

ultimately working towards a possible transfer of the one to the other. Inasmuch as there is some question, to put it mildly, as to the validity of the act, I think that is probably the course that should be taken. It is unfortunate that before putting through legislation to effect that end we have to wait to see whether or not the act is valid; otherwise what will now require two or three different enactments might have been accomplished in one.

Mr. HANBURY: Are the employees of the employment service referred to in clause 10 to be taken in under the provisions of the Civil Service Act?

Mr. BENNETT: All employees other than those specially mentioned are to be provided under the provisions of that act.

Mr. SANDERSON: When this commission is set up, will it carry on its work and its duties independently of any department of the government? I have in mind, for instance, the radio commission, which is under one of the departments.

Mr. BENNETT: This act is predicated on the assumption that it is not under the control of the minister.

Mr. SANDERSON: That it is not?

Mr. BENNETT: Yes.

Mr. SANDERSON: Then who will control it?

Mr. BENNETT: Parliament.

Mr. SANDERSON: Does the Prime Minister think that will be a very good arrangement?

Mr. BENNETT: I think it is the only effective arrangement possible at all.

Mr. SANDERSON: With all due respect to the Prime Minister I do not agree with him.

Mr. BENNETT: I know that.

Mr. SANDERSON: I do not suppose the Prime Minister cares; nevertheless that is my opinion.

Mr. BENNETT: I am not in any sense indicating that I have any objection to the hon. gentleman expressing his opinion as freely as I have expressed mine. I only say that it is contemplated that the commission will be under the control of parliament, and parliament will be free to take such action in the premises as it thinks fit with respect to anything that may be done by the commission.

[Mr. Mackenzie King.]

Mr. GARLAND (Bow River): The point has been raised that the eventual development under this act will mean the absorption of either one set of employment offices or the other, but unfortunately clause 2 of section 11 is mandatory. It says:

> The commission shall establish employment offices within each regional division at such places as they may deem expedient and desirable for the purposes of this act.

And it specifies the divisions. I am just wondering whether or not it is a question of legal phraseology, I do not quite follow the Prime Minister's former statement in reply to the leader of the opposition.

Mr. BENNETT: I was endeavouring to make clear what I think my hon. friend from Bow River will see in a moment, namely the distinction between the offices and the employees. On the one hand I was dealing with the desirability of one set of employees administering the social services to which I referred, but it is essential that in the first instance this organization immediately establish its offices. The personnel will be, if possible, the personnel I have referred to so far as it may be useful, and in that regard I point out that we ourselves contribute largely to the payment for these services at the present time.

Mr. GARLAND (Bow River): Does that mean that the present employment offices will be taken over or vanish?

Mr. BENNETT: Yes. I want to make it quite clear that there is no mandatory provision in the act to compel the commission to take over these offices, but the one or the other would be the result. I do not want to mislead the hon. gentleman.

Mr. MITCHELL: That is not clear—"they will be taken over or vanish." Will there not be the cooperation of the province through the employment service?

Mr. BENNETT: I hardly put it as my hon. friend suggests, but we vote $150,000 a year at the present moment for the purpose of enabling the employment offices to be maintained. These offices are available for the purpose of enabling the provinces to use them for any purposes they may desire within the purview of the act. It is not the purpose that these employment offices shall come under the provisions of this statute, but it is the purpose of the government in this act, and it is made abundantly clear in its provisions, that the provinces may still utilize the

machinery of the existing offices for the purpose of enabling them to relate the unemployed to the employer requiring the services of employees, and vice versa, to supply if possible the employers who are requiring men. I want to make it perfectly clear that there is nothing in this measure that makes it dependent on them, but the purpose of the bill is that there should be that correlation because we have that financial control, providing $150,000 per annum for that purpose at the present time, following the recommendations that were made after the treaty of peace in 1918.

Mr. MITCHELL: Is it the intention of the government then, to assume all the cost of the operation and administration of these employment offices?

Mr. BENNETT: Yes.

Mr. MITCHELL: There will be no quarrel about that; there should not be, anyway.

Mr. BENNETT: When I say that, as I said to the leader of the opposition, that is the ultimate intention because there is a field which will have to be covered gradually by the federal power as regards these social services. I mentioned old age pensions, and there are the provisions of this act with relation to health and with respect to employment.

Mr. MITCHELL: Does this contemplate the abolition of private employment agencies?

Mr. BENNETT: It does not contemplate either one thing or the other with respect to them. It contemplates that such usefulness and efficiency will be established under it that it will be rather difficult for another agency to function successfully.

Mr. HEAPS: Has the Prime Minister information to show how much was spent by the provincial governments in these employment agencies?

Mr. BENNETT: I cannot give the figures offhand, but I can answer the question in this way. When the statute was first enacted the provinces expended substantial sums, but after the depression their expenditures were of course very much less. The moneys which we provided were perhaps largely, and in some provinces I might say almost wholly, the moneys that they relied upon for the maintenance of their services.

Mr. McINTOSH: In section 11 of part II regional divisions are mentioned. How many of these regional divisions will there be in Canada?

Mr. BENNETT: The number will be determined by the commission.

Mr. McINTOSH: Then the Prime Minister does not know exactly at the present time how many there will be?

Mr. BENNETT: At the present time the Prime Minister is not one of the members of the commission and has not means of being able to determine what the commission will regard as adequate.

Mr. McINTOSH: If we cannot find out how many regional divisions we shall have or how many offices there will be in each province, can the Prime Minister tell us about the personnel of the central office within each regional division?

Mr. BENNETT: The hon. gentleman was not in his place to-day when the discussion took place with respect to these matters. This is a section that confers power upon the commission to do what is provided for under the section. Their manner of doing it must be a matter between them and this parliament. They are clothed with the authority and entrusted with the duty. Neither I nor any other member would be in a position to indicate what in the mind of the commission would be a sufficient compliance with the section.

Section agreed to.

On section 11—Regional divisions: central offices.

Mr. NEILL: I have an amendment to move to this section. I want to put it on Hansard so that it may be considered over night. I would move as subsection 5:

There shall not be maintained at any employment office what is known as a "blacklist."

There is a great deal of what is called labour unrest in Canada to-day. I do not know that it is anywhere more manifest than it is in British Columbia. The unrest in the labour element is being played on by certain parties, not altogether for the public good; it is being capitalized. So far as British Columbia is concerned, I do not know whether there is a more fruitful source of that discontent than the existence of what is known as the blacklist. Its existence is vehemently denied by some employers, frankly admitted by others, and of course firmly believed in by the labour element, who claim that they have absolute proof of it. In British Columbia, quite a number of years ago, we did away with private employment offices and centralized all work of that kind in government offices. Possibly it was the only way it could

be done, by simply prohibiting anyone, endeavouring to procure work for anyone else, to be paid for it. But it did not prohibit people from doing so for nothing. Perhaps they had in mind patriotic associations, or such as the Young Men's Christian Association, which might try in a voluntary way to get work for people. The employers got round the law by either individually or through associations in the particular industry, employing a man to run an employment office, and it is in the operation of these offices that the blacklist exists. They are not employment offices in the sense of the act, though they are that to all intents and purposes, because they are run by a particular company or association of companies. A man sees a position marked up on the blackboard. He knows he can fill it and he applies, stating his qualifications. He proves to be absolutely competent and experienced at the job, and the employment agent is inclined to take him on. He asks his name and then goes behind a screen or turns to a list and comes back and says, "We don't want you." The man asks why not. The agent insists that he is not wanted and takes the man standing behind this applicant, a man less qualified and less experienced. The first applicant is turned down because he is on the blacklist.

I met a number of workers a few months ago; as a matter of fact they were strikers. Some people called them red, but if they were red they were reasonably red. The conditions were such that they might have expressed themselves in violent and vehement language, but they did not; they were reasonable. Putting things together I decided that a great deal of the trouble lay in the existence of the blacklist. I told the men that I had been an employer myself and fully realized that it was impossible to say to an employer that someone else could dictate to him whom to fire and hire. I pointed out that a business could hardly be run on that basis, that the man who employed labour and furnished the money should have the right to say whether he would employ a certain man or not; and certainly he had a right to fire him. But that should not go on forever and especially should not apply to other employers in the same industry. That is where the blacklist comes in. A man may have some words with his immediate boss, a small straw boss, in the dull and cold gray light of the morning when he is rather stiff in the joints. They are both grouchy; their boots are tight; they had been working in the wet the day before. they have a few words and one says something to the other. They are both perfectly good men, but either the boss fires the worker or the worker beats him to it and says he will quit anyhow. A card is then filled out by the foreman when the man leaves, and this card gives his pedigree. One of the questions asked on the card is: "Would you employ this man again?" If he says no, that man's chance of a job in that industry—not with that employer merely but in that industry in British Columbia—is damned for all time. That is the curse of the situation.

I told these men that if the boss fired a man for cause and they proposed to force him to take the man back, they would also perhaps run up against the situation that if the employment office sent them to a place they did not want to go, they would have to go. They said they were prepared to put up with that because they had to do it now; if they refused to go, they are placed on the blacklist.

I do not propose that it should be done by drastic action; I do not think that an employer should be forced to employ someone he does not want, and vice versa. It could be done by reasonable regulation. It might be arranged that if a man were fired from a certain company he should not be sent back to the same employer within say a year, and that would give time for feelings to die down. In the meantime there would have been a change of men and afterwards there would be no friction if he went back after the lapse of a year. In the same way, if a man quit an employer, whatever the reason might be, he should not be compelled to go back to the same employer within a specified time, which should also be reasonable. Apart from that, they should be sent out in the order in which they applied and if they were qualified for the position they would have to go and be taken. In that way men would not be thrown out of a livelihood as they can be at the present time by reason of the blacklist, simply because two grouchy men get together and curse each other. I said to these men that if they would accept a thing like that it might be abused and we might find a man saying to his boss, "You can't fire me because I can appeal to the law and you will have to take me back." The answer was that it is done in other industries. They named the railway companies in which boards of appeal, composed of some of the higher officers and some of the men, pass upon these matters. There is a report

every month reciting instances in which railway servants in the lower ranks have appealed on account of dissatisfaction with regard to services or wages, often in connection with their runs, and the case is decided by the board of appeal. There is no friction and the result is that for many years there has not been a railway strike. They made the further point that they themselves would work to prevent any abuse of it because it would be to their advantage to have such a system in force.

I suggest that this might be allowed to stand. It is something new I have sprung on the committee, and it might be made to apply only to British Columbia. Certainly, however, it would be an excellent thing. Some hon. member suggests that the employment agencies be done away with. I would say certainly. We have done away with them in British Columbia except in the instances I have named. It would be a good thing if it was only giving a lead in the dominion offices if they inaugurated some system whereby there would be no suggestion of this blacklist by which men, for a mere whim of somebody else, may be deprived, not of their job—that is a trivial matter; they could get another one—but of any employment at all, because the blacklist goes right down the line in the industry concerned. There is no question about that; if anyone wants instances, I can give them.

In another case, a big employer of labour —he is not in my district and I can tell the story—told me that the system they arranged was to send out a spy periodically. He did not call the man a spy; he called him an investigator. This investigator got a job; he was sent up ostensibly as one of the employees. He snooped around; of course he had to justify himself and do something for his money. The scheme worked like this: he would sidle up to a man and say: "'pretty lousy job" or "pretty lousy grub here." If the man said yes, he was reported as having said that the grub was lousy and he was dissatisfied. He would be let out within a week or two; he would not know why. He would be told: "Here is your money," and he would not get any work again in that place. That is the way blacklists get started. I would be glad if the Prime Minister could see his way clear to allowing this clause to stand so that he, his colleague the Minister of Labour and officials of that department could consider this question.

Mr. HANBURY: I would like to ask the Prime Minister this question: Under the suggested amendment, is there anything in this legislation that will require any employer to engage any labourer or workman that may be sent by the employment office to him?

Mr. BENNETT: No.

Mr. HANBURY: The Prime Minister says no. Under the circumstances as I see them, while the amendment might be placed on the statute book, I do not see any teeth in it that could make it effective.

Mr. MacINNIS: The hon. member for Comox-Alberni has raised a question that is of great importance to many people. I do not however agree that the basis of the blacklist is as simple as the hon. member believes it to be; at least that is not my understanding. I think the blacklist arises from the very fundamental fact that generally employers in this country are opposed to the organization of their employees in industrial organizations or in trade unions. In certain trades such as railroading, street railway occupations and certain stabilized trades of that kind, employees have become organized; their organizations have become well established and they have agreements with their employers. Where an agreement of that kind exists, it is almost impossible to institute a blacklist. But if we take less sheltered industries, particularly lumbering and to some extent mining, employers in those industries have opposed with every means at their disposal their employees forming any kind of organization.

Mr. HOWARD: Is the hon. member referring to British Columbia?

Mr. MacINNIS: Not only in British Columbia, but throughout Ontario, Quebec and every other part of Canada. Employers are in the business for making profits and trades organizations militate to some extent against the making of profits, although in some cases where the employees have been organized for some time, employers believe it is good policy to have them organized because they consider men who are intelligent enough to organize will give better service than those who are not. But you cannot get that into the heads of the lumber barons, at least not in British Columbia, and I doubt if you can in Quebec. In the lumber industry on the Pacific coast the blacklist extends not only over British Columbia, but also into the northwest Pacific states, Washington and Oregon. As a matter of fact the employers themselves are very strongly organized but they object strenuously

to their employees organizing. I have worked for employers and I have been called up before the superintendent and told, "Our investigators have made a certain report upon you. We are sorry we have to have these investigators but the management deems them essential." These men act not only as investigators but as agents provocateurs. They get the men to start organizing and when they have done so, they will report to the employer that certain men are ringleaders. These men are then called on the carpet and sent out of the camp. From then on they are debarred from getting any employment in this particular industry. I do not know whether the proposal made by the hon. member for Comox-Alberni, which I am satisfied was made in all sincerity, will meet the situation. But if it does not, then this government should take positive and definite steps to encourage organization among the workers in industry, because there is no other way in which legislation passed by governments can be enforced than by strong organizations of the employees concerned.

Mr. POWER: Whilst we are on this question of employment service, may I ask the minister whether he has any statement or report which he could furnish to the committee as to just how useful the employment service which is now functioning has been in the past two years in finding work for the unemployed?

Mr. BENNETT: The statistics are not here; the Minister of Labour has them in connection with his estimates. But I can say that these services have been regarded as being very valuable and have rendered, especially in western Canada, very useful service to both employers and employees. The minister has the information prepared for his estimates, and if it is thought desirable I can have it here to-morrow.

Mr. POWER: I take it, then, that the Department of Labour is satisfied that these employment offices have rendered valuable service during the time of the depression in obtaining employment for people who would otherwise be unemployed. Do I understand that from the minister?

Mr. GORDON: In my judgment the employment offices have done valuable service not only during the time of the so-called depression but since their organization. All these efforts lend themselves to improvement, but there is no question in my mind that they have done and are doing useful service.

[Mr. MacInnis.]

Mr. POWER: Has any serious attempt ever been made in Canada to assist in the migration of labour from one place where employment is scarce to some other place where there might be better chances of obtaining employment?

Mr. GORDON: The administration of the employment offices is, as the hon. member knows, under the control of the provinces. I do not say that they have succeeded as well as they might have had the scope of their activities been enlarged, but on a comparatively small scale they have assisted in the effort that the hon. member suggests.

The CHAIRMAN (Mr. Smith, Cumberland): The question is on the amendment.

Mr. BENNETT: I am sorry I cannot accept the amendment. In the first place it would serve no useful purpose. No government department operating under a commission would maintain a blacklist. It would be an insult to the commission to prohibit it from doing so. But that is not the real reason; the blacklist in any event would be maintained by the employers, not by the commission. That is not the duty or obligation of such a commission. The prospective employer would be the one with the blacklist; he would be the person who declined to take X, Y or Z whose services might be offered. Lastly, if there were any difficulty about the matter it could be dealt with by regulations, for which the bill provides in section 38, and which can be as far-reaching as may be necessary. I do not think, however, that one should contemplate the possibility of an organization of this kind maintaining a blacklist. Its job, its obligation, will be just the opposite. I think on reflection the hon. member will conclude that it is undesirable to press his amendment. On the other hand if he desires that the committee should look further into it, there is no reason why the section should not stand in order that the amendment which he proposes as subsection 5 should be considered.

Mr. NEILL: I appreciate the Prime Minister's action. Of course I did not suggest that the government office would run a blacklist; it would be the employer who would enforce it, as he said. It would be desirable to do away with all private employment agencies, as we have done partially in British Columbia; then when the government office proposes to send a man to a certain employer and he says "I will not take him because he is on my blacklist," it would be for the government to say; "You will have to." Lest

there should be any suggestion that this is going to operate unfairly against the employer, may I say I am satisfied that a large number of employers would welcome it. Many of them, especially the more humane and far-seeing, even from the dollar and cents point of view, would welcome it because they know it would do away with one of the greatest causes of friction between employer and employees. We all know that you do not get satisfactory work when there is a continuous source of irritation. I am glad to accept the suggestion that the section stand over.

Mr. BENNETT: Obviously no employer would allege a desire not to employ a given individual because his name is on a blacklist.

Mr. HANBURY: Before this item stands, I think in view of the amendment suggested by the hon. member (Mr. Neill) this committee should be informed of what is probably one of the reasons for his suggesting it. I am inclined to agree with my colleague from Vancouver South (Mr. MacInnis) when he suggests that more encouragement should be given to employees in industry to organize themselves so that they can negotiate better with their employers. But it is accepted as a fact by many people in Canada to-day that during the past twelve or thirteen months men were sent into our lumber industry from one end of Canada to the other for the one and sole purpose of disorganizing the industry. There are many, and I am one, who think that these people were sent into this country by agents of Russia who were disturbed at the quantity of lumber that this country was sending out in competition with them. We had men sent into the industry in British Columbia and other parts of Canada who were agitating and who could not be satisfied no matter what was given them. They were not there endeavouring to improve conditions; they were there to disturb the industry. I think that is one of the reasons for the suggested amendment. True, I do not think there is any question that there are men on the blacklist in British Columbia to-day as far as the lumber industry is concerned, and I think many of these men will be kept there until they show that they are not going to be affected by these professional, paid agitators who come there to destroy our industry. And while I am quite prepared to support any organization of employees for the purpose of enabling them to negotiate with the employers, I am not going to put a weapon in the hands of agitators so that an employer can be forced to employ them in order that they may disorganize our business.

Mr. MacINNIS: I do not wish to prolong this discussion, but I wish to make it clear that this blacklist is not something which has been in existence only during the past year; it has existed on the Pacific coast since 1919. During the war when labour was scarce and the lumber industry very active the lumber workers built up a strong organization, but when labour became more plentiful and the employers wanted to take advantage of the state of the labour market, everything possible was done to smash the labour organizations. And ever since that time the blacklist has been in existence. While I am quite satisfied that there are a few individuals who are not interested in organizing for legitimate purposes but are possibly more interested in disorganizing, I am quite convinced from my own experience of twenty-five years in the labour movement that satisfied employees cannot be led to follow agitators of that kind.

Mr. HANBURY: I agree.

Mr. MacINNIS: If there were not a basis for agitation in the conditions prevailing in the industry, making employees ready to heed the voice of the agitator, there would be no difficulty whatsoever in the camp. In fact the workers would be the first to run these agitators out of the camp if the conditions were right.

Mr. BENNETT: I shall only say that from my observations what the hon. member for Vancouver-Burrard (Mr. Hanbury) has said is fully warranted. I have not the same sources of information that he has—only the reports that come from various sources—but I certainly formed an opinion some months ago that is wholly in accordance with the statement he has just made. I believe sincerely from the evidence furnished me that in one or two cases in British Columbia there was a disturbance of industry which was directly traceable to those who would profit greatly by such disturbance. But the point I desire to make is that while agreeing wholly that harmonious relations between employer and employed are the basis of success in any industry, I cannot think that the insertion of a subsection such as this in a statute dealing with a commission that has such wide responsibility is justifiable. Obviously you cannot force an employer to take a given employee. That is the real point to which I direct attention. And as you cannot compel him to do it without violating all the rules that have heretofore governed the relations between employer and employee, I suggest that to place such a provision in the statute would do violence to our general appreciation of the understanding that should

exist between the commission and the employers to whom from time to time they send those who may be seeking employment.

Mr. GARLAND (Bow River): The Prime Minister has just stated that an employer could not be compelled to accept a given employee. Under the provisions of this measure can an employee be compelled to accept an employer?

Mr. BENNETT: If any person insured under the act declines without good reason to accept employment that is offered, then the results indicated in the statute itself follow. I should hardly like to put it that he is compelled to accept, but what may happen if he does not accept the opportunity is that he will lose the benefit.

Mr. HEAPS: There are certain exceptions under which the employee is not compelled to accept employment.

Mr. BENNETT: Quite so; that is provided in the statute itself.

The CHAIRMAN (Mr. Smith, Cumberland): The clause stands?

Mr. BENNETT: I promised to let it stand if the hon. gentleman (Mr. Neill) so desires.

Section stands.

On section 12—Collection of information.

Mr. HANBURY: In the fourth line of subsection 2 "failure to comply with any such request" is made an offence against the act, but there is no time stated within which such failure to comply may occur. I would direct that to the attention of the Prime Minister. I think some time limit should be stated.

Mr. BENNETT: One of the difficulties in stating a time in any statute of this kind is that you must have regard to distances and geography. The law implies a reasonable time; that is why no such words are included. If, for instance, I asked the hon. gentleman to supply information and said if he did not supply it within twenty-four hours proceedings would be taken against him; if he was in Vancouver and I was in Winnipeg or Ottawa, that would not be treated as of any importance at all. The real implication of the law is a reasonable time, and I think the hon. member will agree that to state any length of time would be destructive of the very purpose he has in mind.

Mr. ELLIOTT: Subsection 2 of section 12 reads:

[Mr. Bennett.]

The commission may request any person to make written returns of such information as the commission may deem necessary for the purposes of this act, and failure to comply with any such request shall be an offence—

Of course this is a commission the personnel of which we do not know at the present time, nor do we know the tribunal that will try this suggested offence, but I do think that this subsection is too broad as it stands. The commission may request information which the party is unable to furnish.

Mr. BENNETT: Then he could not be fined.

Mr. ELLIOTT: Yes, he could under this subsection. I submit that the words "without reasonable cause" should be included.

Mr. BENNETT: That is implied.

Mr. ELLIOTT: I do not think so, under this wording.

Mr. BENNETT: I think if the hon. member will observe the language of the section he will modify his view. Subsection 1 contemplates the collection of information concerning employers requiring workers and workers seeking employment, the same to be made available to the employment offices. Then they may request returns for the purposes of this act, and failure to comply with that request is constituted an offence. If reasonable time is not given there can be no conviction; if the information sought is not information under the act there can be no conviction. So, as the law implies a reasonable time, and having due regard to the conditions that govern the whole provision, namely the purposes of the act, I submit that the section is properly drafted.

Mr. ELLIOTT: May I point out that the section reads:

—such information as the commission may deem necessary for the purposes of this act—

I think we might include the words "within the knowledge of such person."

Mr. BENNETT: That is implied.

Mr. ELLIOTT: I submit not, as the section is drafted.

Mr. MERCIER (St. Henri): Why not add "within a reasonable time" since there is no time specified?

Mr. BENNETT: The hon. member for Vancouver-Burrard directed attention to that point. The law implies a reasonable time. To fix a given period would be impossible, having regard to distances. I think it is quite clear, under the decisions of the courts, that

the law implies that a reasonable time must be given. What is a reasonable time depends, as one judge has said, upon the circumstances of each case. If it was not difficult to obtain the information it might not be unreasonable to expect it the next day.

Mr. HANBURY: I suggest that it would be necessary to send a registered notice under that section, which would indicate that the time must be reasonable.

Mr. BENNETT: It is perfectly obvious that there could be no conviction unless it was proved that the notice had been received.

Section agreed to.

On section 13—Local committees.

Mr. HANBURY: I notice that no provision has been made for the remuneration and expenses of these local committees.

Mr. BENNETT: That is true, and the hope is that these local committees may be glad to give some service to their communities with respect to these matters. But there is provision later on, in a broad and general way, by which some honorarium may be paid. It is not intended that they shall be paid officials in that sense at all.

Section agreed to.

On section 14 (as printed; now section 13) —Advances to workers seeking employment.

Mr. HEAPS: This section deals with the question of transferring men who are out of work to sections of the country where employment may be found for them. It involves a rather complicated question that may require a good deal of discussion, and I would ask the Prime Minister to call it eleven o'clock.

Mr. BENNETT: I can see no good purpose in having this section stand, since it is a simple clause, but if the hon. gentleman desires to have that done I shall accede to his request.

Mr. HEAPS: It is eleven o'clock now, in any case.

Section stands.

Progress reported.

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

Tuesday, February 19, 1935

The house met at three o'clock.

BRITISH NORTH AMERICA ACT

ADDITION TO MEMBERSHIP OF SPECIAL COMMITTEE

Right Hon. R. B. BENNETT (Prime Minister moved:

That the names of Messrs. Veniot, Stewart (Lethbridge) and Bourassa be added to the select committee appointed on the twelfth instant to study and report on the best method by which the British North America Act may be amended.

Motion agreed to.

STANLEY PARK, VANCOUVER

On the orders of the day:

Hon. IAN MACKENZIE (Vancouver Centre): I should like to direct the attention of the Prime Minister to the extensive damage that has been done to Stanley park in the city of Vancouver by the unprecedented storms; and in view of the fact that this is a national park and a national asset in every way, in view also of the very great fire hazard created there, I would ask if the Prime Minister will consider cooperating with the provincial and municipal authorities with respect to assistance in this regard.

Right Hon. R. B. BENNETT (Prime Minister): Mr. Speaker, the hon. gentleman was good enough to send me a memorandum indicating that he proposed to ask this question. I found it on my desk five minutes ago. I can only say that thus far the government, so far as I know, has received no intimation of the matter to which the hon. gentleman refers, but when the matter is brought to the attention of the government and the nature and character of the damage is indicated and its extent ascertained, the government will give its most careful consideration to any request that may be made through the provincial government in that regard.

RADIO IN SOUTHERN ALBERTA

On the orders of the day:

Mr. F. W. GERSHAW (Medicine Hat): I desire to ask the Minister of Marine (Mr. Duranleau) a question. In view of the fact that Canadian radio programs can hardly be heard in southern Alberta, and practically not at all on Sundays, and in view of the fact that many protests have been received that the radio sets are no good on account of the din and roar from some interference that cannot be located, will the minister be good enough to make an investigation?

Hon. ALFRED DURANLEAU (Minister of Marine): Mr. Speaker, my hon. friend was kind enough to give me notice of his intention to put this question to-day, and I asked the officials of the radio commission to advise me with regard to the matter. My information is that the commission has investigated the troubles in the southern part of Alberta, and they report that they have a program of construction under contemplation which, if it can be put into effect, will remove the trouble.

PRINCE ALBERT NATIONAL PARK

On the orders of the day:

Mr. A. F. TOTZKE (Humboldt): I would direct a question to the hon. Minister of the Interior (Mr. Murphy). Has it been brought to his attention that owing to the protection afforded to wild animals in the Prince Albert national park, timber wolves are rapidly increasing in number and forming themselves into packs, causing great damage to trap lines and to animals protected under the game laws in the northern part of Saskatchewan; and if so, what steps are being taken to deal with this nuisance?

Hon. T. G. MURPHY (Minister of the Interior): This matter was brought to my attention a few days ago, and I am now awaiting a report from the officials. When I receive it I shall be in a position to answer the hon. gentleman's question.

UNEMPLOYMENT RELIEF

On the orders of the day:

Hon. IAN MACKENZIE (Vancouver Centre): In view of the announcement some time ago that direct relief would terminate on March 31, I would ask the Minister of Labour (Mr. Gordon) when he intends to make a statement to the house in regard to the assistance to be given for unemployment relief for the next fiscal year.

Hon. W. A. GORDON (Minister of Labour): I do not know that I made the announcement that direct relief would terminate on March 31, but this government is keeping in close touch with the provinces and a decision will be arrived at as to what method may have to be employed with respect to assisting them. Up to the moment we have not had any information or request from the provinces as to what assistance they may need.

TRACADIE LAZARETTO

On the orders of the day:

Hon. P. J. VENIOT (Gloucester): On January 23 an order was passed for the production of correspondence, reports and other documents, including a statement of the results of any examinations by the civil service commission during 1934, in connection with the appointment of an assistant engineer at the lazaretto in Tracadie, New Brunswick. May I ask the Secretary of State when the papers will be brought down.

Hon. C. H. CAHAN (Secretary of State): I will look into the matter immediately.

IMMIGRATION OF CHILDREN

On the orders of the day:

Mr. THOMAS REID (New Westminster): I have a question to direct to the Minister of Labour. According to press dispatches it would appear that the child immigration society of Great Britain intend to send four hundred children to Vancouver island to be taught farming according to Canadian methods. Is that statement correct? If so, has it the approval of the minister?

Hon. W. A. GORDON (Acting Minister of Immigration): I was not able to hear the question but I shall read it in Hansard to-morrow.

UNEMPLOYMENT INSURANCE

MEASURE TO ESTABLISH AN UNEMPLOYMENT AND SOCIAL INSURANCE COMMISSION

The house resumed from Monday, February 18, consideration in committee of Bill No. 8, to establish an unemployment 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—Mr. Bennett—Mr. Morand in the chair.

On section 15 (as printed; now section 14) —Persons to be insured against unemployment; "employed persons" defined.

Mr. POULIOT: Yesterday the Prime Minister gratified me when reciting those delightful words of Tennyson:

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

In return, may I dedicate this little poem to him:

> Year after year, day and night
> An infant cries for the light;
> But, alas! he cannot know—
> The P.M. always says "NO."

Mr. DUFF: This section deals with the persons who will come under the act, and

also with those who will be exempted or excepted. I notice in part II, page 31 of the bill, the following excepted employments enumerated:

(a) Employment in agriculture, horticulture and forestry;
(b) Employment in fishing;
(c) Employment in lumbering and logging;
(d) Employment in hunting and trapping;
(e) Employment in transportation by water or by air, and stevedoring.

And so on. It seems to me that if we are going to pass in this parliament an act to take care of persons who are unemployed, giving them some protection or insurance, the measure should be broad enough to cover all classes in the community. I remember that once when I was a boy I took home from school three or four of my chums and my mother got out the cookie jar. We helped ourselves. At the bottom of the jar there was an extra cookie and I tried to get it, but she said that there were no stepbairns in our family. I submit that there should be no stepbairns in the family of Canada; everyone should be treated alike. I have no objection if all the people who work with their hands in this country come under the bill, but I do object to certain classes coming under it while others who will not benefit by it will have to pay to help those who do. In the speech delivered by the Prime Minister on the second reading of the bill, in discussing those who did not come under the bill he gave certain figures. I cannot put my hand on the particular passage in which he dealt with those who would not come under the fishing section in paragraph (b) which I have quoted, part II, but if I remember rightly he said that there were only ten thousand fishermen who would not come under the act. I have here a copy of the annual report of the Department of Fisheries and while I realize that figures differ, at the same time, in this annual report for 1933-34, the total number of persons employed in fishing is given at page 7 as 79,328, of whom 65,391 were engaged in catching the fish and 13,937 were employed on shore in canneries and fish-curing establishments. I do not know whether the Prime Minister got his figures from Mr. Watson or not, but if I remember correctly the figure he gave was 10,000. When he gave this figure I realized immediately that there was a mistake somewhere; I believe 79,000 is much more correct. I would say to the government that if this bill is to be particularly operative the fishermen have a right to come under it as well as other employees in the country, whether in manufacturing establishments or anywhere else. The fishermen are labourers; they are employees who are giving their time and labour to create business in this country and to bring new wealth into Canada. But it seems to me that these fishermen should be placed in the same position as those engaged in other callings who will come under the act. At page 728 of Hansard, on February 12, the Prime Minister gave the figure of excluded males in fishing and trapping as 10,379. If the figures the right hon. gentleman read yesterday are no more accurate than those which somebody gave him and which he quoted on that date, then it appears to me that we are dealing with this matter in the dark, and we should get further information before going on. I contend that if these people are going to pay toward unemployment insurance, the legislation should be broadened so that our fishermen may come under it.

There is another class that, I notice, is exempted. Paragraph (e) of part II of the first schedule on page 31 reads:

Employment in transportation by water or by air, and stevedoring.

Surely if people in factories and manufacturing plants are entitled to consideration or relief under this measure, stevedores should be included. I would like to know what the hon. member for Halifax (Mr. Quinn) has to say with regard to the fact that stevedores and longshoremen are not included in this legislation. Not only in Halifax but in Saint John, Quebec, Montreal, Vancouver and elsewhere there are hundreds and perhaps thousands of stevedores and longshoremen who earn their wages by the sweat of their brow and they certainly should come under this measure. I respectfully submit to the Prime Minister that the legislation should be amended so that paragraph (e) of part II of the first schedule will read so as to remove stevedores and longshoremen from excepted employment. In that way stevedores and longshoremen would have the benefit of this bill if it is going to be passed by parliament. I notice another class of people is not mentioned, but they may come under the class of stevedores. I refer to the men who work on the different wharves or in the different fish plants, especially in Nova Scotia. In Halifax and other centres in that province we have a large number of men who work by the day, who are paid by the hour, who certainly handle the products of this country and who should also be included. I respectfully submit to the Prime Minister that these men, both stevedores, longshoremen and labourers in fish plants as well as fishermen should be included in and receive the benefits of this legislation,

because, if they are not included they have to pay their proportion of the amount which the government puts up.

Yesterday in suggesting that this legislation should not be handled by a commission, I modestly stated that perhaps an amount of $250,000 would be saved if instead it were administered by one of the departments of government. Later on the Prime Minister said that the expenses of handling this legislation by commission would amount to something like $7,000,000. This huge amount must come out of the taxpayers; it must come out of the fishermen, longshoremen, farmers and others. Although the committee adopted that particular clause providing that the legislation should be entrusted to a commission, if we can save $5,000,000 or $6,000,000 by having one of the departments instead of a commission handle the matter, I say to the Prime Minister that in view of the financial situation in which we find ourselves to-day, it would be a waste of money to spend $7,000,000 and to inaugurate and put into operation another commission with a number of unnecessary employees, to do work which could very well be done by the Labour or some other department. I protest against the fishermen, longshoremen and labourers in fish plants being excepted. If this law is going to be broad; if we are going to have a proper act to look after the labouring men and other employees in this country, every class in the community should be included instead of there being certain exceptions as set forth in paragraph (e) of part II in the first schedule.

Mr. VENIOT: In speaking to the subject now before the committee, I have no intention of opposing the clause as it stands. I have no amendment to offer, but I feel it my duty to call the attention of the promoter of this measure to the fact that I believe an injustice is being done to a large proportion of the population I have the honour to represent in this house. The hon. member for Antigonish-Guysborough has referred to the fishing industry, pointing out that the figures given by the Prime Minister are incorrect. When the statement was made by the right hon. gentleman, I was somewhat surprised to learn that there were only 10,000 fishermen in the dominion earning their living. As the hon. member for Antigonish-Guysborough has said, the correct number is far in excess of 10,000. He referred to the report of last year of the Department of Fisheries, but I wish to refer to the census report of 1931 which shows that there are 34,340 persons gainfully engaged in the fishing industry. In the county of Gloucester there are more than 2,500 fishermen. Not all of these are gainfully employed; some are proprietors who could not come under this act and nobody would expect them to do so. But in my county alone there are more than 2,000 engaged in fishing. It is true it may be stated that fishing is a seasonable occupation, but if we are going to protect those who are engaged the whole year around on salary or wages and who are able to maintain their families, why should we not do something for those engaged in seasonable occupations? They certainly should be given a chance, if not to such a great extent, at least along the same lines as those engaged the year around.

Having said that about the fishing industry, let me now deal with the logging industry. My wish, while I am on that point, is to ask a question for the sake of information and I am going to cite a concrete case. A pulpmill in my home town works part time; the work is not carried on during every working day of the month or the year. For instance, about 300 men are employed about the pulpmill. A certain number work for a given number of days in the month; then they are replaced by another group. How can such workmen come under this measure? I take it, as this is not logging and lumbering in the sense in which I understand the term in the exemption clause, they could come under the legislation if they were constantly engaged the year round. But what will be the result? When this legislation comes into force, the men will be demanding compensation, if I may use that expression, or the benefits provided by the bill; they will be demanding to be allowed to come in under it. The result is going to be that this company instead of employing 150 for a period of a fortnight and another 150 for another period of a fortnight, is going to employ 150 regularly and the other 150 will be thrown on the street. Therefore the effect will be increased unemployment instead of a benefit.

Further, I should like to have from the Prime Minister a definition of what is meant by employment in lumbering and logging. I understand logging to refer to the operations in the bush; would it include driving down the streams in the spring? Would lumbering include men engaged in the sawmill yards, and in sawing lumber? I see no definition of that term, and I know that when I return home I shall be waited upon by the lumber interests of my county, which are very large, and asked for an explanation of this. I ask the Prime Minister to give a definition of the term "employment in lumbering and logging" as used in clause (c).

For the present I have nothing further to say except to correct the figures given by the Prime Minister the other day as to the number engaged in the lumber industry. I think the number he gave as engaged in gainful employment in the lumber industry in Canada was about 41,000. Now that figure is certainly wrong. There is one province alone in this dominion in which almost that number are employed in gainful operations in the bush, on the streams or at the mills. In order to have accurate figures before the committee I suggest that the matter be looked into more carefully. The census gives 49,960 in forest and logging operations; that census was taken in June, 1931. People were asked at what they were employed at that time, There is some lumbering going on in June, but very little in the province of Quebec and the maritime provinces. So those figures are not correct. Not that I wish to say that the census enumerators made false returns; far from it, but the census questions were not arranged in such a way as to distinguish between those employed almost continuously in lumber and logging operations and those so employed merely at the time they were visited in the month of June.

Mr. MacLEAN: I wish to support the contention raised by the hon. member for Antigonish-Guysborough (Mr. Duff) and the hon. member for Gloucester (Mr. Veniot). I do not know that I can go quite as far as they did as to the whole 75,000 noted as employed in fisheries coming under the act. But part 1 of the schedule reads:

> Employment in Canada under any contract of service or apprenticeship, written or oral, whether expressed or implied,

While a number of our fishermen work on their own behalf there are large numbers employed by various companies. I quite see the difficulty in obtaining and reporting the forty weeks of continuous employment in the year, still I believe that there are large numbers of them who should receive consideration, because it is their sole employment; they have no other means of livelihood. Take the lobster packing plants and other plants that employ men in the packing and shipping of fish; some of those people are given almost continuous employment, so that if other people employed in other industries are to receive the benefits of this measure it would seem fair that some consideration should be given to the fishermen who are thus employed.

Another point is that the cost of the operation of this measure will be borne by the community as a whole. Men in business can pass the cost on by adding it to their price, as they do the sales tax, so that the consuming public at large will in the long run contribute the largest proportion towards the upkeep of this scheme. For that reason alone I think that everyone who can reasonably be brought under the measure should be given consideration. I know there are difficulties, but consideration should be given to every class of the community and an endeavour made to work out a plan that will be just and fair to all.

Mr. MARCIL: I voted for the second reading of this bill on the principle that I felt it was of benefit to the wage earner. The practically unanimous vote by this house on second reading, something very rarely seen, shows that we want to extend the benefit of this measure to as many people as possible. Since yesterday I have been wondering how many people in my constituency will benefit under it. They are practically all employed in agriculture, fishing, lumbering and logging. If a man is employed by another man for ten weeks in the year, whether in agriculture, fishing, lumbering or logging, why should that man be excluded from benefit? I am sorry I did not catch the explanation which the Prime Minister must have given for excepting these various employments, but I hope it is not too late yet to have the benefit of this measure more generally extended. If I remember rightly the Prime Minister said that some 800,000 wage earners would be excluded from benefit. I would like him to give more consideration to the possibility of extending the benefits to those who are bona fide employees in these callings that I have mentioned. As it stands at present it would be unfair to large numbers in my constituency and in all constituencies situated near the ocean or in provinces where lumbering is carried on. In Quebec lumbering is one of the largest industries, perhaps the largest in the dominion. Whether in money turnover it is ahead of British Columbia or Ontario I do not know, but at any rate it is one of our largest industries. Then the fishing industry needs particular care and attention at the present time because it has been in a very precarious state for the last few years. And agriculture of course is facing great difficulties. "This country will be prosperous when agriculture is prosperous"; that has been said over and over again in my hearing during the thirty-five years that I have had the honour of representing my constituency in this house. If men are employed by others and put in their ten weeks in the year in agricultural work, why should they not be

given the benefit of this measure? And why should not the same thing apply to lumbering? I know men who are employed the year round in lumbering, they are in the shanties in the winter and in the sawmills in the summer, and in the spring they are occupied in driving operations. They are employed practically the year round by large lumber firms; why should they not have the benefit of this measure? I appeal again to the Prime Minister, who has evidently given a great deal of consideration to the matter, to reconsider his decision and give these people a fair deal, because the benefits of the measure should be extended to all classes as far as possible.

Mr. CASGRAIN: I am in somewhat the same position as the hon. members who have just spoken, since I represent a district in which there are farmers, lumbermen and fishermen, and I endorse the remarks that have been made by the hon. member for Antigonish-Guysborough, the hon. member for Gloucester and the hon. member for Bonaventure. Ever since this bill has been before the house I have been wondering if the Prime Minister would not reconsider his decision and try to include under it those people engaged in forestry, lumbering, fishing and farming. We were told that this measure was to help all classes of the community, and I would not like to see the people who will be called upon to pay their share of the cost indirectly, that is, the farmers, fishermen and lumbermen, get no relief. I think we should have a final, definite explanation from the Prime Minister as to why he has not seen fit to include these classes under the bill and as to whether at an early date in the future we may expect them to be so included.

Mr. HEAPS: Under the provisions of this section it appears that the commission has power to put certain industries in the excluded class, but the commission has not power to include industries which are now excluded under the provisions of this bill. It seems to be a very one-sided affair. I observe that among those excluded are some that certainly should be included. I am not going to refer to those classes that have been mentioned already, but I should like to know why bank employees should be put in a different category, together with the employees of other institutions in which at times unemployment becomes rife. I have had representations made to me by bank messengers and others who feel that they should come within the provisions of any act insuring against unemployment. According to the statement made by the Prime Minister about a week ago there are some 57,000 people employed in financial institutions who will not come under the act. I think they should come under it; I do not think we ought to give favoured treatment to banks or any other financial institutions.

There is one other point I should like to raise at this time. When the Prime Minister introduced this bill last Tuesday he said there were approximately 1,700,000 people who would be eligible to come under the provisions of the bill. I believe those figures were based on the census of 1931. I should like to know the number actually qualified at this time to come under the provisions of the bill. After all there may be a great difference between the number qualified in 1931 and the number qualified to-day. The figures given by the Prime Minister with regard to the 1931 census may be absolutely correct according to the statements given the enumerators, but I have a very strong feeling that with the vast increase in unemployment since 1931 the number who may be qualified will be very much smaller than the number stated by the Prime Minister a week ago. So I should like to know if the Prime Minister has any later figures to give the house as to approximately how many working people, men and women, would be able to qualify as participants in the proposed measure.

Mr. DONNELLY: Coming as I do from an agricultural constituency, and as the farmer receives no benefits whatever under this bill, naturally I am not very enthusiastic about it. The only thing the farmer has to do is pay the bill.

Mr. HEAPS: Who?

Mr. DONNELLY: The farmer. Since there seems to be some doubt as to who are included under this bill, I would like to ask the Prime Minister with regard to two classes, as to whether they come under this act. The first is the man operating a grain elevator. He is the agent for one of the grain companies; he buys and sells grain. Will he be considered a farmer, or will he be able to take advantage of this act? The other case is that of the man operating a lumber yard in a small town on the prairies. Is he considered a lumberman; is he brought under this act or is he excluded? I should like the Prime Minister to tell us how those two classes will be dealt with.

Mr. EULER: The debate so far this afternoon has consisted more or less of protests by certain members that certain classes of the

community do not come within the operations of the bill. I have a matter of a different nature to bring up, not with any intention of urging action but simply to ask the question. I have been approached by owners of commercial establishments, stores as they are popularly known, and representations have been made to me that in an establishment employing some fifty or sixty clerks, after a check up it was found that if there had been an unemployment insurance scheme in force for the last five years benefits would have been obtained in only one instance. That may not be typical of the situation in general, but I rise to ask whether the commission which will have charge of the administration of the act could take steps to exclude from the operations of the act, if it should be found desirable to do so, such establishments as I have mentioned. I know the act provides that the commission shall make recommendations, presumably to the governor in council, for the inclusion of those who do not now come within the act, and I should like to ask whether the commission has similar power to make recommendations or actually to exclude certain classes which they find it inadvisable to include within the scope of the bill.

Mr. BENNETT: Mr. Chairman, I am sorry that members of the committee apparently have not found it desirable to read the section. We are dealing with section 15, and if the section were read I think some of the questions that have been asked would be readily answered. The section reads:

(1) Subject to the provisions of this act, all persons of the age of sixteen years and upwards who are engaged in any of the employments specified in part I of the first schedule of this act, not being employments specified as excepted employments in part II of that schedule (in this act referred to as "employed persons"), shall be insured against unemployment in manner provided by this act, and the employment in which any such person is engaged shall in this act be referred to as "insurable employment."

(2) Where it appears to the commission—

Not to the governor in council.

—that the terms and conditions of service of, and the nature of the work performed by, any class of persons employed in an excepted employment are so similar to the terms and conditions of service of, and the nature of the work performed by, a class of persons employed in an insurable employment as to result in anomalies in the operation of this act, the commission may, by regulations either unconditionally or subject to such conditions as may be specified in the regulations, either:—

(a) provide for including the class of persons employed in insurable employment among the classes of persons employed in excepted employment; or

And, turning over the page—

(b) provide for including the class of persons employed in excepted employment among the classes of persons employed in insurable employment.

Just why the hon. member for North Winnipeg (Mr. Heaps) read paragraph (a) of subsection (2) and did not read paragraph (b) on the following page, I do not know. He said, in effect, "You can take them out of it, but you cannot take them in." If he had just turned over the page he would find that there is a provision for taking them in, a provision which is as clear as words can make it. What purpose is served by making a statement of that kind in this committee, knowing I would be here to answer it, unless such a misstatement is calculated to arouse prejudice in some minds that we are going to be fair to one class and unfair to another class. There it is. Anyone knows the commission may place workers in the excepted class or, if circumstances warrant, take them out of that class. Then there is the further subsection:

The commission may by regulations provide, subject to such exceptions and conditions as the commission think fit, for adding any class of employment to the excepted employments but only as respects persons who are in any week employed in that class of employment to such extent (being in the opinion of the commission inconsiderable) as may be specified in the regulations.

The question we are asked this afternoon has to do with why fishing is not included. I endeavoured to give an answer the other day, but I shall repeat it now. Fishing is a seasonal employment, and if it does create conditions such as those which have been referred to either in that industry, or in some other industry—notably lumbering—then there is a provision for bringing them within the operation of the statute.

Then the question was asked as to whether or not a man in this or that particular occupation would be classed within or without, and the answer is that at the inception of a measure such as the one before us in all countries it has been found impossible to lay down any hard and fast rules. The commission itself will after an investigation of circumstances determine to what extent there shall be any variation from the rule laid down. Behind it there is the answer which I endeavoured to make yesterday, namely that this measure is founded upon the basis of benefits being paid out of a fund proportionate to the sums that are paid into that fund. The difficulty of ascertaining what sum should be paid into the fund with respect

to classes mentioned this afternoon is too great to enable the legislature in the first instance to lay down a rule. In Great Britain, under the amendment of last year, the provisions with respect to the commission bringing in or taking out are substantially the same as those now before this committee. It will be found of course that if you bring arbitrarily within the operation of this measure large numbers of people who may not be able to continue to make payments or who by the very nature of things are not employed for forty weeks in two years you might find a position in which the fund would be insolvent. This is a solvent fund; it is built upon scientific bases and is intended to be maintained in that position.

The difficulties to which references have been made, notably that of determining whether a man is a logger or a lumberman are not inconsiderable. My own judgment would be that a man who works on the sawing of logs, the planing of them and the production of the finished product of lumber is in the lumbering business, while on the other hand a man engaged in cutting trees is probably classed as a logger. It may be that when this measure begins to operate it will be very desirable to include within its provisions some of those who are not now included, and shutting out some who are now in. That however is a matter which will have to be determined in the light of the effect upon the fund itself.

Mr. VENIOT: Would the act have to be amended?

Mr. BENNETT: No; there is provision already in the measure. May I direct the hon. member's attention to the bottom of page 7 and the top of page 8, paragraphs (a) and (b), which cover the point to which he has made reference, and especially the language in subsection (2) which states that if anomalies may arise by reason of the operation of the classifications, then changes should be made.

Mr. MACKENZIE (Vancouver): With reference to paragraph (a) of subsection (2), may I say that I can see no difficulty in including employees who are now excepted, but if the commission decides to except employees now insurable would there be any compensation to those employees who while in insurable employment have made actual contributions to the fund?

Mr. BENNETT: There is a provision at a later point in the measure for taking care of that particular situation. I know the hon. member has studied the matter with a great deal of care, and realizes that there must be some method of dealing with anomalies which are bound to arise.

Mr. MACKENZIE (Vancouver): By regulations.

Mr. BENNETT: Yes, by regulations, and especially upon the introduction of the measure. That is the reason the act of 1920, the first of the English acts, had to be amended nearly once a year for several years until—

Mr. MACKENZIE (Vancouver): Thirty-six times.

Mr. BENNETT: Yes. I have one or two observations with regard to the number classified as fishermen. Hon. gentlemen speaking about this point perhaps know better than I do that numbers are classified as sailors, rather than as fishermen, when they are working on ships, schooners or other fishing vessels. I have made no specific inquiry as to that particular number, and I cannot say that I have given a complete explanation, but I shall be able to ascertain definitely and tell hon. members whether or not the difference in numbers arises from the method of classification. If we classified as sailors twenty men on a schooner, including the captain and officers, and did not classify them as fishermen we would have a corresponding diminution in the number of men classified as fishermen and an increase in the number classified as sailors. If they are on the articles they are classified as sailors; if they are not on the articles they might be classified as fishermen. However, I shall make inquiries and ascertain definitely with respect to the matter. I believe, however, that I have given the correct explanation. All names appearing on the articles of these vessels which go to sea are classified, under the present procedure, as sailors. That is my understanding of it.

Then there was a question asked by the hon. member for North Waterloo (Mr. Euler). My reply is that the measure is broad enough to meet the situation he has described. I think it would not be broad enough to meet a situation of only one store.

Mr. HANBURY: Mr. Chairman—

Mr. DUFF: Just a minute; if paragraph (a) of subsection (2) provides for including the class of persons employed in insurable employment among the classes of persons employed in excepted employment, why is it necessary, the commission having that power under the act, to have any schedule? Why not leave out the schedule? If the commis-

sion has the full power to take in or leave out any group of persons, then it seems to me that the schedule appearing at page 31 of the bill, under part II, is not necessary. I repeat that if this is to be an insurance act it should cover every person who works—and I do not care whether he works in a factory, in a lumbering camp or anywhere else. By some means or another every working person should come under the provisions of this measure. If as the Prime Minister said a moment ago he is following an insurance act which had to be amended in Great Britain thirty-six times, surely it does not follow that there must be brought down to this parliament a measure which in the next and in the following years we will have to amend, in order to bring satisfaction to all people in the country. If this is to be proper legislation, then every person who works should come under it. For instance, the fishermen have to pay their contribution to the classes which are not excepted. The Prime Minister said yesterday that the operation of the act would cost $7,000,000.

In addition to that the employers of labour in a few special cases must pay in some forty per cent, if I remember aright, of the total funds, which would make at least another $15,000,000. That is what the employers themselves pay in. There is some $22,000,000 which must come out of the pockets of the taxpayers of this country—the $7,000,000 for overhead and organization purposes, and the $15,000,000 which the employers pay in, and that $15,000,000 must be added to the cost of the goods which these employers sell to the consumers of this country. I say, Mr. Chairman, that if the fishermen or the farmers or the lumbermen or anybody else have to pay for insuring certain classes of people, this act should be broad enough so that all the workers of this country who work with their hands should come under it.

The Prime Minister, in order to substantiate a statement that he made in the course of his remarks—I am not accusing him of giving incorrect figures—said that perhaps the reason that he was given the figure of only 10,000 fishermen was because these fishermen on the articles of a ship are classed as sailors. Let me tell the Prime Minister that that is not the fact at all. A sailor is an entirely different person from a fisherman. The fisherman has articles of his own in the case of every ship over ten tons, and he must go to the shipping master and sign on as a fisherman before he can proceed to sea. He has nothing to do with the sailors. He is not a sailor; he is a fisherman. A sailor is in an entirely different class from a fisherman. In fact, on every fishing vessel in Canada there are no sailors in the strictest sense of the term. It is the fishermen who run the vessel. These fishermen, of course, are sailors as well as fishermen, but whilst they are engaged in fishing they are fishermen and not sailors. I do not know where the Prime Minister got his figures but it seems to me that if I were in his place I would want to know why somebody gave him that figure of only 10,000 fishermen, when the Department of Fisheries itself gives the figure of 78,000 fishermen, and in my opinion the number is even greater than that. In the figure which the Prime Minister gave the other day it is only fishing which includes the 10,000, fishing and trapping. Perhaps there were 10,000 people trapping.

Mr. POWER: Lobster trapping.

Mr. DUFF: That would not be lobster trapping. Whoever gave the Prime Minister that figure was not fair to him or to this parliament because the number of fishermen in this country must be at least as many as the figure of something like 80,000 which was given by the Department of Fisheries itself? I say again to the Prime Minister that these men are not sailors; they are real fishermen, men who are signed on the articles as fishermen. In the smaller boats, of course, they do not sign articles, but these 78,000 are classed by the Department of Fisheries as real fishermen and not sailors.

As far as I am concerned, I am in favour of all classes of the community who work with their hands coming under an unemployment insurance scheme in order to protect them from unemployment or sickness. I have paid in for years under the Workmen's Compensation Act in Nova Scotia certain moneys in order to protect fishermen in the case of accident and their families in the case of a fisherman being lost; and I am still willing to pay it for the fishermen or for the longshoremen or for the men who work in my own fish store and the men who are handling the fish and bringing them into the store, or packing them. I am willing to pay that as long as I am able to do so. But I say to the Prime Minister that if this act is to be a proper one and in the interests of the whole country, then every class in the community that work with their hands should come in under it, and we should not leave it to the commission now or later to decide whether John Jones or Bill Smith shall be accepted and get the benefits of the act.

Mr. HEAPS: Mr. Chairman, I have asked the Prime Minister two questions which he has not answered. The first one was why employees of banks and financial institutions should be exempt from the provisions of this act. My second question was whether the figures as given to this house from the census of 1931 on which this act is partly based would be even approximately correct at the present time.

Mr. BENNETT: I read from the report of the two actuaries. The report of one has been printed, and the other will be completed and distributed I trust between five and six this evening to all the members of the committee so that they may have it before them. The actuaries arrived at the conclusion that the maximum number that might come under the operations of the act was, as indicated by me, 1,700,000 odd. That is the maximum. When they speak of the cost of administration of the act, their observations are based upon the fund being $42,000,000. I said that the administration had cost in Great Britain 12½ per cent, and that here it might cost as much as 15 per cent. The estimated contribution to the fund under this act, is about $42,000,000, without the accessions to it that might come in the course of time. So it is based on the assumption that the number would be as I indicated the other day, and now repeat.

So far as bringing employees of banks and financial institutions under the act is concerned, the history of the operation of such an act with respect to those enterprises warranted our following the course that had been pursued in Great Britain, and accordingly these employees were taken out of the operations of the act; that is all. It would neither benefit the act nor benefit the individuals to be included. Their problems are so different from the industrial employees who are included in it, and it is thought desirable that they should not be included. Experience teaches that that is not desirable, but if experience subsequently teaches that it is desirable that they should be brought within the act, I assume that it can be done. But on the basis of this act it is not thought desirable to do so.

Mr. GERSHAW: Would the same apply to clerical employees of municipalities?

Mr. BENNETT: If the hon. gentleman will turn to page 31 of the bill he will find before him the excepted employments. The first is (a) agriculture, horticulture and forestry. The reasons are obvious I think with respect to those. Hon. gentlemen who have spoken this afternoon in regard to employment in fishing have indicated why in their opinion certain portions at least of the members engaged in fishing should be included. and I have pointed out that there is a provision under clause 2 (b) of section 15 as printed, whereby, if that creates an anomaly, that situation could be dealt with.

Next is (b) fishing; then (c) lumbering and logging. I indicated on the second reading of the bill that possibly where logging is followed as an avocation all the year round, rather than a seasonal employment, the commission has power at once to bring such employees under the operations of the act.

Mr. NEILL: And saw-mill workers?

Mr. POWER: Where is that provision to be found? I do not see it.

Mr. BENNETT: I have just read that the commission may do one of two things; (a) they may exclude, or (b) they may provide for including a particular class of person employed in excepted employment among the classes employed in insurable employment.

Mr. POWER: Where otherwise there would be anomalies in the act; is not that the case?

Mr. BENNETT: I will read the section:

(2) Where it appears to the commission that the terms and conditions of service of, and the nature of the work performed by, any class of persons employed in an excepted employment are so similar to the terms and conditions of service of, and the nature of the work performed by, a class of persons employed in an insurable employment as to result in anomalies in the operation of this act, the commission may, by regulations either unconditionally or subject to such conditions as may be specified in the regulations, either:—

(a) provide for including the class of persons employed in insurable employment among the classes of persons employed in excepted employment; or

(b) provide for including the class of persons employed in excepted employment among the classes of persons employed in insurable employment.

As I read the section, and it is the construction placed upon it in Great Britain, if anomalies are apparent in the administration of the act, the commission is empowered to cure them by taking one of two courses; (a) by adding to the excepted class those that are now in the insurable class.

Mr. DUFF: But they cannot go outside of schedule 3?

Mr. BENNETT: If my hon. friend will just wait a moment till I finish my sentence—

or (b) the commission may add to the insurable class those that are now in the excepted class.

Schedule 1 covers all employments. It will be observed that it is intended to cover employment under any contract of service or apprenticeship, written or oral, whether expressed or implied. Then there are the excepted employments. I had just concluded reading the third of them and I came to the fourth, employment in hunting and trapping; and as I was reading lumbering and logging the hon. member for Comox-Alberni (Mr. Neill) said that lumbering should include saw mill operations. I have no doubt that if you have, as you have on the Pacific coast, continuous employment in that class of work known as saw milling or the production and manufacture of lumber, the commission would bring them within the operations of the act and determine the conditions under which they should be brought in.

Mr. HANBURY: But the conditions in the lumbering business vary so much across Canada. I was wondering whether there was any provision in this bill that would permit the commission to establish regions in the lumber business. As the Prime Minister has said, in British Columbia and particularly on the coast, there is no reason why employees in the industry should not be brought under the act, because it is permanent employment the year round, whereas in Ontario the employment is seasonal, and it is seasonal in a great part of the rest of Canada. Is there such a thing as a regional interpretation of any part of this act?

Mr. BENNETT: While there is nothing in the schedules that places a limited construction upon the language used, I should say that if it is apparent from the operation of the act that you have the anomaly to which the hon. gentleman has referred, it is clear that the act would not apply to cases where purely seasonal employment would be involved, and that by the regulation—there is no limitation placed upon it—it could be made applicable to communities or sections of the country in which you have continuous employment as an occupation rather than seasonal employment.

The point with respect to transportation by water or by air does not call at all for observation. But with respect to stevedoring, to which the hon. member for Antigonish-Guysborough referred and which was mentioned by one other, stevedoring has not thus far in Canada been of such a continuous character as to establish a classification for it which would bring it within the provisions of this measure on any basis we might now set up. If however, as compared with other occupations, it could be ascertained that there was employment for forty weeks continuously, and in other particulars it came within the provisions of the statute, I see no reason why the commission should not make a recommendation to council. This is drafted in the broadest possible sense to cover at any rate every occupation that should properly be brought within its operations to maintain its solvency as a fund—I desire to dwell on that point and I cannot repeat it too often—to maintain the solvency of the national fund that is being set up by the provisions of the bill. Possibly nothing would more clearly indicate that no province would have the jurisdiction to enact legislation such as this, having regard to the jurisprudence of which we have knowledge and the observation made twice this afternoon in this committee, namely, that this is a tax which would be passed on to the consumer, which was exactly the point on which the privy council decided in the Crystal dairy case, when it was held ultra vires of the province to pass any such legislation, which was therefore wholly within federal jurisdiction.

The next point is with respect to employment in banking, mortgage, loan, trust, insurance, or other financial business.

Mr. DUFF: May I interrupt the Prime Minister. In Vancouver and Halifax as well as in St. John stevedoring is a continuous employment.

Mr. BENNETT: The question is as to whether or not it is sufficiently continuous to bring it within the provisions of the section. The opinion expressed by the actuaries in the preparation of the matter was that it was desirable to put it into the excepted class in the first instance and then ascertain whether it should be brought in under the provisions of section seven or by reason of its exclusion creating an anomaly, and for that reason it was placed in that class in the first instance.

Mr. POWER: The condition under which new classes or classes at present excluded may be brought in is clear; the condition is that there shall be an anomaly if they are not brought in. Now, by the phraseology of this act we absolutely except and exempt from its operation all persons engaged in lumbering and logging, let us say. I cannot conceive of a case where there would be an anomaly in only some of these persons being excluded, that is to say, those who are employed all the year round. I would say, if I were a member of the commission and were told, "Why should not persons employed in the

saw mills of British Columbia be brought under the operation of the act? There is an anomaly there"—I would say there is not an anomaly; it is not a borderline case, where you could compare them to other loggers. You could compare them to people in factories, but you could not compare them to any other loggers or to people engaged in lumbering operations. Therefore they will, because they are in the exempted class, be excluded from the act. If the Prime Minister were to say, "I will take in persons employed in woodworking establishments," and pointed out that there is a woodworking establishment in Ottawa and one in Montreal operating all the year round, then it would be an anomaly if the woodworking establishment in the place where my hon. friend from Vancouver-Burrard (Mr. Hanbury) speaks of is not also brought in; but not otherwise. I cannot conceive of an anomaly where you exempt a whole class unless there is a borderline somewhere. I could perhaps imagine, in the case of stevedoring, that if we had not excluded men working on the wharves, longshoremen, then it might be an anomaly to exclude the stevedores, and you might be able to bring them under the operation of the act. But when you deliberately exclude a whole category of operations, then I am sorry I cannot agree with the Prime Minister that under the section as it is drawn the commission can afterwards bring them in.

Mr. BENNETT: I would direct the hon. gentleman's attention to the fact that the anomalies are not with respect to the same class of employment; they are in the operation of the act as a whole.

Mr. POWER: All right; then I will follow the Prime Minister to the logical conclusion. We have laid down then the principle that only those who are employed in occupations which are not seasonal, which are steady the year round, shall be taken in. If that is the principle, let us state it, and then we will say there is an anomaly if some of the persons who come under logging, and so on, are other than seasonal. But we do not do that. We actually violate that principle of steady employment by saying on the one hand that fishermen, loggers and so on, who do not get steady employment shall be exempted; then we turn round and mention the class which possibly is the steadiest in employment—clerks and those employed in financial houses—and exempt them too. So that the principle is not based on steady employment, because I know of no employment which lasts longer than that of persons working in banks and in financial institutions.

Mr. BENNETT: That is the reason they are exempt.

Mr. MACKENZIE (Vancouver): "Except" and "exempt" are two different words in the bill.

Mr. POWER: They are all under the same class of exceptions, therefore there is no general principle laid down unless it appears somewhere else in the bill. The general principle is not quite clear. I understood from what the Prime Minister said on the second reading of the bill that the broad principle was that persons employed in seasonal occupations should not enjoy the benefits. But in other sections of the bill we exclude from its benefits, or except or exempt, whatever term you like to use, people who are employed in steady occupations. Therefore I cannot see how there can be an anomaly in these particular trades.

Mr. BENNETT: The anomaly is not with respect to trades it is with respect to the operation of the bill, and if the operation of the bill brings about an anomaly, then there is power given to the commissioners to cure that anomaly.

Mr. NEILL: As of one class against another?

Mr. BENNETT: In the operation of the measure. It is not limited to comparisons of class; it is an anomaly in the operation of the measure as a whole. The hon. gentleman says that the general principle of the measure is to provide that those who have seasonal employment should not be within its provisions. Part I of the first schedule specifies those who are affected by part III of the bill and part II of the first schedule gives the excepted employments. Those that are not excepted are insurable.

Mr. MACKENZIE (Vancouver): Except where they are excepted under clause 16.

Mr. BENNETT: That is another matter that comes under the next clause. Let us leave that for the moment. If the committee has any doubt about the matter, I desire that there shall be no doubt and it should be quite clear that the power to which I have referred that is vested in the commission should unquestionably be vested in it in the light of experience and of the knowledge which will be gained when the commission is set up to function. It is not intended to treat it in the sense of making it appear it is one thing when in reality it is another. I have no doubt that clause 15 as it reads makes it possible for the commission to do what I have indicated, but it does not of course give them power to

include within the statute those who may work thirty weeks a year at a particular avocation because the very last exception mentioned in the schedule deals with that very detail, that is:

Employment of any class which may be specified in a special order made by the commission, and declared by the commission to apply for the purposes of this act, as being of such a nature that it is ordinarily adopted as subsidiary employment only and not as the principal means of livelihood.

In other words, to follow for twenty weeks the ordinary avocation as means of livelihood and then change for ten weeks to something else and say that is the ordinary avocation or occupation of a person, is not intended by the act. I do not think it is open to doubt, but if the committee feels there is any doubt as to that power being clearly defined and vested in the commission, I would be glad to make it clear beyond peradventure, but I feel the language, having regard to the whole language of the legislation, is clear beyond doubt.

Mr. EULER: I do not wish to dwell too long upon the point I raised a few minutes ago, but I have some doubts as to the power of the commission to withdraw from the operation of the act a class of people such as I spoke of a moment ago.

Mr. BENNETT: I said that they could not take any one store.

Mr. EULER: Take the example I gave before: just one store. We find stores of the same general class have the same conditions. The purpose of the legislation is to pay indemnities to people when they lose their employment. If it were found that in a certain class, say of stores, people did not really lose their employment to any extent, then the purpose for which they entered into the operation of the legislation would be lost, I would think, and it might be desirable that they be withdrawn from its operation. Under the clause as I read it, the only condition upon which the class might be withdrawn is because they are anomalies. Surely it would hardly be argued that it is an anomaly because it happens or is the fact that most of the people in this class never become unemployed and therefore there is no necessity for unemployment insurance. Does the Prime Minister say that that could be regarded by the commission as an anomaly in the operation of the measure and therefore empower the commission to withdraw them from the operation of the legislation?

Mr. BENNETT: Undoubtedly if the case mentioned by the hon. gentleman were found; that is, workers in stores or shops having over a period of years had only one person who had been off duty or unemployed and if it were found that that extended throughout the country, that might be claimed to be an anomaly under the operation of the act having regard for the fact that the very purpose for which it comes into being is unnecessary with respect to that class. I say to the hon. gentleman frankly that I cannot think it possible such a condition would prevail except in an extraordinarily well ordered community, if I might use that expression. Perhaps the hon. gentleman might regard his community as being in that class, but I do not think that condition would prevail generally.

Mr. EULER: Probably not.

Mr. BRADETTE: With regard to mining, I wish to speak about the class of prospectors. Some hon. members may think prospectors always work on their own initiative, but it is a branch that belongs to mining and there are to-day thousands of prospectors who are doing pioneer work, opening up new resources in the northern sections of the country, working for corporations, and also on their own initiation. I would ask the Prime Minister to define the status of prospectors under this bill.

Mr. BENNETT: I would say that prospectors are not covered by the benefits under it because their employment is not such as comes within the provisions of the insurable class.

Mr. CAMPBELL: May I point out that many of the prospectors referred to by the hon. member for North Timiskaming are employed by the mining companies themselves and are on the payrolls of those companies.

Mr. BENNETT: Then they are included.

Mr. CAMPBELL: Then, in reference to the statement made by the Prime Minister a few minutes ago about fishing and lumbering as seasonal employments, these prospectors can work only during certain seasons of the year. This is true not only of prospectors but of many other men on the payrolls of mining companies who are working in out of the way sections. It would include also labourers who are assisting prospectors. Therefore, according to the right hon. gentleman, the mining companies which are paying them and paying also a very large share to ensure steady employment will not be able to have these men looked after. That is the way in which I understand the matter.

Mr. BENNETT: I am sorry, but that is not what my answer was. In the one case

you have men on their own. In the other you have them employed by a company. The question put to me by the hon. member for North Timiskaming had reference to prospectors on their own. The question now put by the hon. member for Frontenac-Addington is with respect to prospectors who are on the pay list of a company. Those are the two classes. I said that the first class, the man on his own, did not come within the operation of the legislation; with respect to the second, if he is on the pay-roll and meets the requirements of the statute so far as time of employment is concerned, he unquestionably comes within the provisions of the statute. The contribution would have to be made by the mining company and deducted from the pay to which the employee is entitled.

Mr. NEILL: The Prime Minister was kind enough to say on the second reading of the bill that he would take the temper of the house in committee in regard to including some of these presently excepted occupations. Now he seems rather to suggest that this will be taken care of under the clause dealing with anomalies. I would suggest that the fewer of these anomaly cases, the better. It would be better to include in the bill such cases as can be agreed upon or are obviously entitled to come in now. It would mean delay or confusion if one industry were to start at one date and another later on under the anomaly clause. In British Columbia, logging and lumbering are distinctly all the year round occupations and stevedoring is the same. Stevedoring is not now a catch-as-can employment as it used to be where one would pick up a man here and there; the stevedores are regularly organized and do nothing but work at that particular employment. I think it would be proper that they should be put in without the trouble of having to make an appeal to the commission later on and proving that an anomaly exists.

Another thing that the Prime Minister might be kind enough to mention when he replies is the question brought up by the hon. member for Assiniboia (Mr. McKenzie): Will coal miners who work perhaps three days a week be included? The hon. member for Assiniboia said he had a class of miners who work twenty-four to twenty-six weeks a year in the mines, and the remainder of the time on farms and elsewhere. The men I represent do nothing else; when they are not working in the coal mines they are idle and they only work some twenty-five weeks a year. I should like to know what their status would be under this bill.

[Mr. Bennett.]

Mr. BENNETT: With respect to the last question, I think it is in part dealt with by section 16 and in part by the excepted provisions of part II of schedule 2. A person employed in an occupation which is seasonal and does not ordinarily extend over more than twenty-two weeks in the year, and who is not ordinarily employed in any other occupation which is insurable employment, or who works habitually for less than the ordinary working day, is entitled to a certificate.

Mr. NEILL: These men work the full day but only three days a week.

Mr. BENNETT: Then the question is, does it extend over more than twenty-two weeks in the year.

Mr. NEILL: You cannot find that out until the end of the year.

Mr. BENNETT: That is the reason the provision is here, to enable these cases to be dealt with on a basis of principle rather than of guess.

With respect to stevedoring, the hon. gentleman realizes that he himself placed the matter properly before the committee when he said that nowadays it is different from what it was. That perhaps is not true in every part of the country, but to the extent to which it is it would enable them to ask to be brought within the operation of the measure.

As to the first question, namely that the temper of the house might be ascertained, I desire to make it clear that I was not going to disarrange the financial structure of the fund by making amendments in that regard. But if there was any doubt or uncertainty on the part of the committee as to the provisions of the statute, making it clear whether in the cases to which attention has been directed the commission has power to bring them in, I would certainly be glad to make it abundantly clear that there is no doubt on the part of the government that that should be so.

Mr. NEILL: But not to put them in now.

Mr. ELLIOTT: As we have been discussing fishing, lumbering and logging, part of the excepted employments, I would ask the Prime Minister if it is contemplated that any of those engaged in agriculture shall be included? Could the Prime Minister suggest anybody engaged in that business would come within the operation of the bill?

Mr. BENNETT: The experience has been that farmers do not desire to make the weekly contribution, that is the experience in Great

Britain at any rate, and other countries. Apart from everything else, they do not think it desirable.

Mr. MERCIER (St. Henri): Granted.

Mr. BENNETT: I thought my hon. friend was a lawyer, not a farmer. The other question, as to whether or not there may be any engaged in agriculture who might come within the provisions of the measure, is one which obviously I would not care to answer, for it would depend on the classification which the farmer had in his occupation. If he were classified as farmer the answer would be no. If, although a farmer, his classification is something within the provisions of the bill, then obviously the answer is yes.

Mr. McKINNON: There is a very large body of men who while they may come under the insurable provision it appears almost impossible that they will ever derive any benefit from the bill. I mean railway shop-men and also men in the running trades. In the running trades there are men with from fifteen to twenty-three years' service, who have spent their lifetime in this work, but who probably get only six weeks' or two months' work each year. Yet this is their ordinary employment. I cannot see how these men would come under the act. Then there is another body of men in the district I have the honour to represent, that is saw and planing mill employees. They are employed five or six months in the year. Of course they are exempted. In the winter these men work in the bush. I feel that they should be included in the benefits, in fact I have a number of resolutions from them asking that they be included. As far as the men employed in the planing mills are concerned they are really year round employees. I should like particularly to have the railroad aspect of the matter further clarified.

Mr. BENNETT: Do I understand the hon. gentleman to suggest that the railroad employees should be excepted from the operation of the act?

Mr. McKINNON: I want to have them included.

Mr. BENNETT: Well, are they not included?

Mr. McKINNON: But obviously it is impossible for them to derive any benefit, because a great percentage of them work only six weeks or two months in the year.

Mr. BENNETT: I just pointed out that by the provisions of section 16 under certain circumstances a certificate would be granted exempting them from liability to contribute. While holding such certificate the men would not be insured under the act.

Mr. EULER: But he wants them insured.

Mr. HEAPS: There are certain sections of railway employees who would not come under the act; those who work two or three months in the year would be barred under the section which says they have to be employed so many weeks in the year before being eligible for benefit. There is another section in a similarly anomalous position, that is the men working in the railway shops. To-day thousands of them are working approximately twenty-five hours a week during the whole year. This you might say is a trifle over three days a week. This has been going on for a number of years now and the twenty-five hour week evidently has become more or less a permanent thing for them. I find it difficult to ascertain what their position is under the bill, because at times these men will be working continuously fourteen days per month, as they are now, and then there are times that they are laid off two or three weeks. They are not continuously employed. I would ask the Prime Minister to tell the committee what the position of these many thousands of railway employees would be.

Mr. BENNETT: It is my personal opinion that the provisions of the bill meet the case to which attention has been directed. If for two years there have been forty weekly contributions made to the fund they would come within that provision. It is true they might not be working six days a week, but working forty weeks they would be making forty weekly contributions to the fund during the preceding two years.

I regret that I did not catch the question as put by the hon. member for Kenora-Rainy River (Mr. McKinnon). I thought he was anxious that his friends should be excluded from the operation of the act. I gather that he desires that they should be brought within it.

Mr. McKINNON: Yes.

Mr. BENNETT: If they make the forty contributions during the two years they are entitled to benefits, because the benefit sections deal with the conditions under which the payments are to be made. They come later, and if the hon. gentleman will direct attention to this point when we come to that section, I shall be glad to discuss it with him further. I quite follow his point. I thought, as he does, that they should be exempted on the ground that the benefits would not be in proportion to the payments made.

Mr. GARLAND (Bow River): I find it difficult to see how the coal miners will receive very much benefit under this act, even if they can take advantage of it. According to the census figures for 1931 with regard to the coal industry I find that the average number of weeks worked in Ontario was 20·71; in Manitoba, 21·95; in Saskatchewan, 30; in Alberta, 27·31, and in British Columbia, 27·92. Obviously it will be a long time before these men can qualify even if they come under the act, and the benefits they might receive would be very small. I wonder if the Prime Minister has anything more hopeful than that for them.

Mr. BENNETT: It will be observed that they all worked a sufficient number of weeks to qualify for benefits; that is, if they worked twenty-seven weeks in one year that would be fifty-four weeks in two years, and the requirement is forty weeks. The lowest number mentioned was 20·71 weeks; that would make over 41 weeks of employment in two years. The fact that the work is not continuous is what militates against the operation of the act; that is, they are not able to spell out a sufficient number of weeks of continuous employment within the period of time to bring themselves within the operation of the act. But if they once start paying to the fund and make payments continuously of course the provisions of the statute apply. They have made the forty payments; they have made them within two years; they are now unemployed within the statute and claim the benefit. What the hon. gentleman has in mind, I suppose, is that they cannot claim benefits for the periods of time between their employment in one year and the time when they take up employment in the next year.

Mr. NEILL: They never qualify for unemployment relief.

Mr. BENNETT: If they were in and then passed out of the picture for the reasons I have mentioned, they can claim under the statute itself.

Mr. GARLAND (Bow River): Can they make contributions if they are not employed?

Mr. BENNETT: No, they cannot do so. But supposing a man was properly on the fund; he made his contributions in good faith and the general plan of employment was less than the number of days that he had been working per week when he went on the fund; he continued to make his payments regularly and then, at the expiration of two and a half years, we will say, he became unemployed after having been employed for forty weeks during a period of two years, although not for the full time per week. Having made his contributions my reading of the act would bring him within its provisions.

Mr. NEILL: Would the Prime Minister explain the converse, that is, with regard to his claim for unemployment benefits? He has put in his time and made his payments; then he finds that he has been idle for twenty-four weeks in the year, or something like that. He wants the benefit but he cannot get it, because he is never idle for more than three days at a time. Must he pay in and get nothing out?

Mr. BENNETT: The act is based on the assumption that there must be a cessation of employment as a condition precedent to the right of benefit. By "unemployment" is meant unemployment for a period of nine days during which he is without any opportunity gainfully to employ himself.

Mr. HANBURY: Nine consecutive days.

Mr. NEILL: Then he cannot qualify.

Mr. BENNETT: Read subsection 4 of section 20 on page 11.

Mr. NEILL: Apparently he qualifies to pay in but does not qualify for any benefit.

Mr. BENNETT: If the condition under which he can qualify has not arisen.

Mr. NEILL: Pretty tough on him.

Mr. MITCHELL: I think the whole problem is based on what constitutes a week's work. In this case, with the eight hour day it would be twenty-four hours a week. I think we should have some definition of a week's work. Then in connection with the payments, I notice in one of the schedules there is a daily payment and a weekly payment, based on one day and a six day week. Where do these men working a three day week fit into the picture? Do they get paid on a weekly or on a daily basis?

Mr. BENNETT: I cannot answer that question; I do not think anyone can.

Mr. MITCHELL: In its practical application it has to be worked out.

Mr. GARLAND (Bow River): Then this does not hold out very much hope for a great proportion of the miners in my province. As the Prime Minister knows, very often they have a working period as short as twenty-five or twenty-seven days a year, and several of the mines operate for an equally short time. Many of those operating for longer periods

operate spasmodically; perhaps they work for a week in the summer time and a month in the fall, and then lay off until the cold weather comes. There is nothing like steady employment in the coal mining industry in Alberta, and from the explanation given by the Prime Minister I am afraid this act is dead as far as the coal miners are concerned.

Mr. BENNETT: When we come to section 20 I think perhaps the hon. member for Comox-Alberni and the hon. member for East Hamilton will find the answers to many of their questions. I have notations here as to the corresponding sections in the English act, and I think many of the questions which have been asked will be answered when we come to that section, because the points with which we are now dealing really anticipate the section I have mentioned. We are considering unemployment benefits now, and I think if we wait until we come to sections 19 and 20 we will be a little further ahead.

Mr. GARLAND (Bow River): I have only this to say in support of the contention made by hon. members this afternoon that certain classes are exempted that should be included. If the Prime Minister's chief argument is the seasonable character of their employment there is no more reason to exclude those employed by fish corporations or companies, or longshoremen or stevedores, than there is to include the miners. These are all extremely seasonal occupations, as I have indicated by the figures I have quoted.

Mr. MacINNIS: I am convinced that we can never have a satisfactory unemployment insurance scheme until all employees are included under the scheme, but undoubtedly there is quite a difference between what we would like to have and what we can have at the present time. A moment ago the Prime Minister said, as I understood him, that bank employees were exempted because their occupation was constant and there was no unemployment. If there are going to be exemptions for that reason I can give the Prime Minister another occupation that is not now excepted from the act; I refer to street railway employees, motormen and conductors. Only this morning I received a protest against these men being included under the act, and I think if one occupation or trade is to be exempted for the reason that there is very little if any unemployment in that occupation, all other occupations in the same category should be exempted as well.

Coming down to section 15 which we are discussing now, or which we began to discuss, under which the commission is allowed certain latitude in including or excluding certain occupations, may I say that personally I believe this is a wrong principle to follow. Under section 7, which we passed yesterday, together with its other duties as administrators of this act the commission is given power to carry on certain investigations. In my opinion the act should be amended by parliament after a report by the commission as to the desirability of bringing other occupations under the act or of excluding occupations that are now under this measure. I say it is leaving to too great an extent power in the hands of the commission to amend the act either one way or the other.

Mr. CAMPBELL: In the constituency I have the honour to represent there are probably more cheese factories than in any other constituency of Canada. Some of the cheesemakers would like to know where they stand in regard to the benefits to be derived under this measure. Some of the factories are owned by large dairy companies which make ice cream and other dairy products. Other factories are owned by local farmers, some who have joined to form joint-stock companies and others who have formed associations. I should like to know where they stand?

Mr. BENNETT: If they can be classified as manufacturers they are employers within the operation of the measure.

Mr. CAMPBELL: What about the factories owned by the farmers themselves?

Mr. BENNETT: If they are entities owned by the farmers the position would be the same.

Mr. MERCIER (St. Henri): And the same with regard to milk drivers?

Mr. BENNETT: The same thing.

Mr. MULOCK: I presume the same regulation would apply to butter as applies to cheese, so far as dairy companies are concerned?

Mr. BENNETT: Yes, quite so.

Mr. MULOCK: We will suppose a farmer on his own farm buys milk from adjoining farmers, and manufactures butter. In that operation he engages men to make the butter. Does he come within the provisions of the measure? I understand if he operates on his own farm the measure would not be operative, but if it were a separate entity, if a corporation were running it, the measure would be effective.

Mr. BENNETT: The one is a case of employment and the other is not.

Mr. HOWDEN: Following up the remarks of the hon. member for Kenora-Rainy River may I say that many thousands of men are working in the railroad shops of Canada, and in most cases they work only fourteen days a month. That condition raises the question as to whether they are casual workers or would come under the measure, and receive benefits. This is a serious matter, so far as the people in the railway shops are concerned, because practically all of them work only fourteen days each month, I should like to ask the Prime Minister if in his opinion these men will come under the measure and receive benefits as being employed for the required number of days.

Mr. BENNETT: As I said a minute ago the matter is dealt with in succeeding sections, particularly section 20. That section deals with the benefits, and the right to claim benefits. The section we are now considering deals with the definition of insured persons, and at page 31 of the bill, part I of the schedule we have a statement indicating who come within the act, and what constitutes employment. Practically every person would come within the definition appearing in part I of the schedule. It is believed that that is the easier way to deal with the matter. Then in part II of the schedule we have the excepted employments, and where an employment comes within the excepted class obviously it is not insurable. That however is subject to the express condition to which I referred this afternoon and shall not repeat. When we reach sections appearing later in the bill, dealing with contributions and the right to claim benefits—especially in section 20—we will find amplification for the point with which the hon. member is now dealing. Nothing further than what I have already said can be said respecting section 15.

Mr. HANBURY: Speaking earlier in the afternoon the Prime Minister said there was authority under the act for the commission to interpret the distribution of benefits under the scheme on a regional basis. I should like to know in what portion of the measure we find power for such regional interpretation?

Mr. BENNETT: I did not say it was in the measure; I said distinctly that it was not stated in terms within it, but I had some reason to believe that because of the wording used there might be power to declare that where, as in British Columbia, there is logging and lumbering, occupations which are no longer intermittent or seasonal, it was not in accordance with the general scheme of the measure that they should be excepted, and therefore they should come within its operation.

[Mr. Bennett.]

Mr. MACKENZIE (Vancouver): By regulation.

Mr. BENNETT: Yes, within the provisions of the subsection to which I directed attention.

Mr. NEILL: I wish to ask only one further question, and I believe it must be asked at this point because this is the only section referring to part II of the schedule, appearing at page 31. I should like to know why domestic servants, other than those working where a business is carried on, should not be included?

Mr. BENNETT: For the same reason that it has been impossible to find cases, except very exceptional ones, where there has been continual service for a period of two years, which would enable them to make the forty payments. That is the reason.

Section agreed to.

Section 16 (as printed; now section 15), agreed to.

On section 17 (as printed; now section 16)—Contributions by employed persons and employers.

Mr. MACKENZIE (Vancouver): I would suggest that we take this section by paragraphs.

The CHAIRMAN (Mr. Morand): Very well; we are now on subsection (1): "Contributions by employed persons and employers".

Subsection (1) agreed to.

On subsection (2)—Rates of contribution.

Mr. BRADETTE: I should like to make a few observations regarding some of the industries in my section of the country. I have in mind particularly the mining industry and permanent industries. May I state at the outset that I have always supported a system of contributory unemployment insurance, but I believe the operation of the present measure would be injurious to the gold mining industry. I have in mind the fact that the Hollinger mine for example has been operating consecutively for twenty-two years, and the McIntyre mine, the Dome mine and others have been worked for long periods of time. Geologists maintain that most of those mines will function for another sixty years at least.

Under the present scheme the employers and employees each contribute a third. For the sake of argument we will suppose that one of those mines operates steadily for the next twenty-five years. We can readily see that the men working in them would receive no compensation for the money they had paid.

In such cases I am convinced there should be a gradual decrease in the contributions made by the employers and employees. For instance, some men have been working in the Hollinger mine seven days each week for twenty-two years, without losing one hour of time. It is fair to assume that many workers will work as steadily in those mines for the next twenty-five years. The present scheme I am convinced would do an injustice to those men and to the corporations affected. They would not be making mere contributions; their insurance payments would be, purely and simply, a tax. I repeat, that so far as these industries are concerned the insurance payments would be a tax. I should like the Prime Minister and the committee to consider inserting clauses in the measure which would provide that contributors making payments for a period of five consecutive years, for instance, who have not lost any time through lack of work would enjoy the benefit of a gradual decrease of 20 per cent each year down to a minimum of five cents per week. Payments could continue at that rate until the close of the mines working period.

Hon. members familiar with gold mining in this country will know that the history of that industry indicates it has been a permanent industrial organization. It has given employment for three shifts each day, seven days a week. This has been going on for the last twenty-two years in the case of some mines. Take some of the mines in the constituency of my hon. friend the Minister of Labour, some of the old silver mines at Cobalt, for instance, which have been working consecutively for the last thirty-five years or more, and I believe that the same remark applies just as strongly to our gold mines in northern Ontario at least.

I am making an earnest appeal to this committee to see that no injustice is done to the mining institutions that must be regarded as permanent. Otherwise it would be simply encouraging some other industries which have been highly seasonal in their employment to be more seasonal in future. I have a case in point. I hold no special brief for any of the big owners; I am speaking for the working men, and also the industries, and I say that steady employment has been provided over a long period of years in the gold mines, and these contributions would be simply an added tax on the working men. To illustrate the permanency of some of the mines in Canada I need only mention the Hollinger, McIntyre and the Dome mines, where men started in to work when the mines were first opened and have continued to work there for twenty to twenty-two years, and have now their sons working alongside them in the same mines. I think the committee will be vividly seized of the permanency of employment in some of these mining organizations when I mention that, and again I make this appeal very sincerely, more particularly on behalf of the working men. In the case I have just cited it would be simply direct taxation on the shoulders of the miners to support an insurance scheme from which they will get no benefit whatever.

The committee must also bear in mind that so far as the mining industry generally is concerned there is only a definite amount of ore, a certain amount of minerals, to be taken from the bowels of the earth, and when that is done the life of the mine is finished. I want the committee to study this question very thoroughly so as to be fair to that section of the population. I know the miners and the mine-owners in our section of the country want to be fair to this act. They know that it can be very beneficial in many cases, but I believe that it is not the intention of the Prime Minister to put an added load on people who will receive no benefit from this legislation, but will simply be an additional direct tax on them.

I would like to hear the Prime Minister's views on the case I have presented.

Mr. BENNETT: I have listened to a good many pleas in parliament in my time. My sympathy for these fortunate gold-mine owners is not so great as that of the hon. gentleman. Their inability to make the contribution required under the act does not move me greatly. When I hear the hon. member for Bow River speak of the difficulties and privations which the miners in another industry have to undergo, and then when I hear the hon. member for North Timiskaming speak of the richness of the natural conditions under which other men are working in other parts of Canada, and with no unemployment at all, it indicates the necessity for having a national bill so that the richness of the one part may compensate for the paucity of demand in another section for another deposit that we call coal.

Mr. BRADETTE: I did not mention the word richness.

Mr. BENNETT: But that is what it means. Gold means that. There is just one other point I should like to make. In my lifetime I have not been unfamiliar with the plea that has been set up by the very rich who claim that they should not pay the

high taxes because they do not get corresponding benefits from them. That is an old story, as old as time itself. It is the old plea, but it does not go with respect to this bill.

Mr. BRADETTE: They do not want to be excluded. I would ask this question of the Prime Minister. Does he not think it would be fairer to the workers themselves if there was a graded tax, just as insurance premiums are graded and become less after a certain period of years? If you take out automobile or accident or life insurance, after a certain number of years the premium you have to pay is less. The mining companies want to play the game, as they showed in connection with the gold taxation last year. The miners in my section are also willing to help their comrades in other occupations, but surely the committee should be fully seized of this fact, that under this scheme men may be paying contributions all their lives without any chance of receiving benefits whatsoever. I am going to leave that for the consideration of this committee. Would it be fair to ask people to make payments for a long period of time without any expectation of them being able to receive benefits under this scheme? This scheme is not intended to penalize anybody I know, but it would seem to be in the nature of a penalty in the case I have just mentioned. There is no question of richness among the miners in our section. They are receiving fair wages but no riches, and these contributions would be a direct tax on them. It would mean that they would be paying into the fund for years and years without receiving any benefits whatsoever under the present provisions.

Mr. VENIOT: Mr. Chairman, I wish to ask some questions touching the actuarial work that was carried on. Would it be in order for me to do so under this section?

Mr. BENNETT: I have no objection, Mr. Chairman.

Mr. VENIOT: With respect to the computation made by the actuaries, am I right in saying that the years they included were from 1922 to 1931 inclusive?

Mr. BENNETT: Might I just say to the hon. gentleman that in view of the suggestion that was made yesterday afternoon I have asked the printers to complete as quickly as possible the printing of the reports of Mr. Wolfenden and Mr. Watson, and I think they will be completed and distributed before six o'clock. One has just come to my hand. If the hon. gentleman will wait until he has these documents before him he will perhaps be enabled to deal with the matter a little more readily.

Mr. GARLAND (Bow River): I am personally opposed to the provision for contributions by employees, and I propose to give to the house a few reasons why.

In the first place it is very clear that this act does not propose to apply itself, nor can it be applied, under the insurance principle, to the unemployed. They cannot contribute so they are out.

Then those who are employed may be divided into three classes; first, those who are permanently employed, such as bank clerks; they also are out. It seems to be the view already that those who are permanently employed and are not likely to be unemployed should not against their will be taxed contributions to maintain the operations of this act.

There is the third class, the seasonal class, and the Prime Minister has already used an argument in the house this afternoon to show that they should not be included. So we have left the class in between as the only ones who may be expected, in accordance with the discussion this afternoon, to contribute. Let us take them—no, not them alone; we will take them all.

We find by reference to the figures supplied by the Dominion bureau of statistics showing the average earnings by wage-earners in Canada and the provinces for 1931, that the average earnings of all adult males was $927 per year and of females $560. I emphasize at this moment the very, very meagre annual earnings of all wage-earners in Canada as indicated by those figures. If we subdivide them into some of the more important branches of industry that come under the operation of this bill, we find that in manufacturing the average annual earnings amounted to $1,038 for males fully employed and $542 for females, or an average of $790. In the construction trade the average for males is $709 per annum and the average for females $732. In the vegetable products branch of manufacturing the average for males is $910 and for females $453, while in the animal products branch the average for males is $941 and for females $479. I could go on to cite many more, for instance, the earnings in the coal mining industry. The figures show positively appalling wages, on the basis of which it is not possible to maintain any decent standard of living in this country, much less a comfort standard; and until the wage earner is in receipt of a decent standard of living there

should not be exacted from him a contribution for any period of unemployment that may ensue. One of my reasons for that statement is this. The evidence that has come before this house in the past, still on record, the evidence given before the industrial relations committee some years ago with respect to standards of living, as well as the results of investigations by social service councils and other bodies on this continent, have definitely shown the serious effect upon the health and character of the citizens of the country when they are subject to such desperately miserable conditions by reason of lack of income.

The labour bureau, following the example of Paul Douglas, a research student of the United States, undertook for the benefit of the industrial relations committee some years ago to compile for the use of that committee and of members of this house what they called standard of living budgets, taking various levels of living for the basis of their budget. The minimum subsistence level, according to the labour bureau, is $1,077 per annum. May I point out that this is not the minimum subsistence level budget of 1926 or 1930; it is the minimum level brought up to December, 1934. The health and decency level required in December, 1934, was $1,339 and the comfort level was $1,878. Let it be noted that only under the comfort level budget is there any provision for medical or dental care, and only under the health and decency level and the comfort level is any provision made, meagre as it is, for such necessary things as soap and, let us say, a daily newspaper or a magazine or something like that once in a while. In other words, the average standard of living in Canada is far below the minimum subsistence level, which does not enable the average wage earner in the country to indulge in such things as I have mentioned.

To me this is a shocking state of affairs because it must inevitably lead to a health condition that is not good. Great Britain has had in operation for many years an unemployment insurance act, and yet it has been discovered that the benefits under that act are so low, the general standard of living is so miserable that the general health of the country is suffering; and Dr. Kenneth Fraser, the Cumberland school medical officer, in his report for 1932 stated that there were a large number of children then carrying on in Great Britain without adequate food. Precisely the same thing may be said of Canada; for every hon. member knows, as indeed we were told in testimony in the inquiry that took place some years ago, that the income of the earner is low especially among women workers, and they are disposed to scrimp on food supplies and use the little income they receive to buy clothing so that they may have an appearance of decency. The result of the combination of unemployment on the one hand and low standards on the other has led to the discovery in medical circles recently of something that is now coming to be known as depression shock; I think they copied it from the phrase that became current throughout the world after 1915—shell shock. But the effects of these standards are not merely physical. It is not only a question of having enough to put in your stomach, but the mental and moral effects must also be considered, while there is inevitable humiliation and bewilderment. And these mental conditions are just as real as not having your breakfast or not having sufficient clothes to put on your back. It destroys self-reliance and the sense of usefulness, and once these are gone the situation is hopeless for the people.

I know that hon. gentlemen, or some of them, may contend that a non-contributory unemployment insurance would lead to that very lack of self-reliance of which I speak. That is not necessarily so. If you can grant the citizens of the country an element of security in keeping with the richness and the productive capacity of the country then I am satisfied that you will raise their conception of life and create in them a desire for more of the cultural things which they can acquire only by personal effort. It is just as well for the committee to recognize therefore that under the modern trend of the system which the Prime Minister has made popular under the name of capitalism, there is a steady drift of the total income of nations, or the total value of manufactured products in nations, towards those who draw their incomes in the form of dividends, bonuses, profits and so on.

I have here the last monthly survey of the American Federation of Labour, and in a chart they published in a recent statement they show that the wage earner's share in each dollar created by manufacture has steadily contracted. In 1849 the wage earner received 51 per cent of the value created in manufacture, the other class receiving 49 per cent. In 1919 the wage earner received 42 per cent and the others 58 per cent; in 1933 the wage earner received 36 per cent and the others 64 per cent, and so the tendency to contraction in the wage earner's share is continuous. This bill in its present form, with the contributory feature included, simply

means that there will be a definite decline in the available amount of purchasing power in the hands of the wage earner. That is inevitable. Every contribution he makes to the trust fund is a dollar or two dollars out of purchasing power, and he needs the money and would spend it. Furthermore, every dollar the employer contributes will be passed on whenever possible—and that is usually possible—in increased cost of goods; for the employer does not take anything of that sort to himself which can be avoided. They make their books annually; they make their budget preparations annually with everything foreseen that can be foreseen; and every foreseen charge is charged into the cost of goods. And so you have a second system by which total purchasing power is limited.

Now you cannot restore the system in Canada by that sort of thing. What the country needs is increased and not decreased purchasing power—certainly an increase in the pockets of the people. Under this scheme the third method, the minor method of securing contributions, is what the state provides. It is fractional. I might at this stage direct the attention of the committee to the fact that though the bill is said to be based on the British act, this government has not accepted the same measure of responsibility in regard to its contribution that the British government has. Under the Canadian proposal there is a contribution of twenty-five cents from the employee, twenty-five cents from the employer, and from the government ten cents plus administration. Under the British act the contributions are eight pence from the employer, seven pence from the employee and seven pence from the government. On that basis the government here might consider twenty-five cents as its contribution in keeping with the contribution of the employee. But I shall be told: We are taking responsibility for the administration costs. Let us examine that. It has been stated that the cost of the operation of the British act is twelve and a half per cent. Twelve and a half per cent of the total of sixty cents that would be collected under the three-way method under this scheme means seven and a half cents, which would then be the maximum cost that the Canadian government would have to pay in administration. In Great Britain the total contribution translated into Canadian money is forty-four cents. Twelve and a half per cent of forty-four cents is only five and a half cents, so this government anticipates that this legislation is going to cost them seven and a half cents and the cost under the British act is five and a half cents. This does not look very good to me, and it is not as bright an act as one would have hoped to come from this government after the radio addresses we heard. Has the government really recognized what is fundamentally wrong with the system? It should not endeavour to finance this scheme by reducing the total volume of purchasing power in the country—and that will be the inevitable effect of the legislation from the beginning—but it should undertake to finance the scheme by a direct issue of currency backed by the national wealth and carry on all that is required of the scheme in that fashion. I make that suggestion as strongly as I can to the Prime Minister. I am definitely opposed to this contributory feature under present low wage levels and will remain opposed to any contributory feature until the wage earner is receiving at least the average income set forth by the Labour department as required for an ordinary healthy and decent living, or an average of $1,339 per annum. Until the wage earner is receiving that on an average I am opposed to the contributory system. I therefore move, seconded by the hon. member for Vancouver South (Mr. MacInnis):

That section 17, subsection 2, be amended by deleting the words "every employed person and."

So that the clause would then read:

Subject to the provisions of this act, every employer of any such person shall be liable to pay contributions in accordance with the provisions of the second schedule to this act.

I move this in order to direct the attention of the members of the committee to this situation, and not because the amendment in itself would do what I have in mind, namely, increase the purchasing power of the people; that must remain a responsibility of whatever administration is in power. If the government is not prepared to make the necessary financial changes in the bill to increase instead of decrease purchasing power, then I tell them that this bill is not worth the paper it is written on.

Mr. BENNETT: Perhaps the hon. gentleman will explain why he voted for it.

Mr. GARLAND (Bow River): I voted for the principle of unemployment insurance in order that I might have an opportunity at this time of moving just this type of amendment. If the contributory feature is retained in the bill, I shall not support it on third reading.

Mr. MacNICOL: I would like to say a word in reference to the remarks made by the hon. member for Bow River. If I understand the latest British act which I have before me, the contributions are not such as are indicated by the hon. member. Taking the adult contributions, I find that the government contributes not eight but ten pence per week or, in Canadian money, twenty cents; the employee contributes an equal amount of twenty cents and the company an equal amount of twenty cents.

Mr. BENNETT: There is one word I should say. When the hon. member for Bow River referred to the portion of the earnings of companies that now went to wage earners as compared with what that proportion was in previous times, he should in fairness to this chamber have indicated the amount that now goes for taxes as compared with previous times. When he left the impression that the proprietors of the enterprise received the difference between the proportion that went to the wage earners and the sum total of profits, he was stating something that is fundamentally unsound. The fifty-six per cent or fifty-one or fifty-two per cent that in earlier days went to wage earners has been reduced to as low as thirty-six per cent. The taxes payable by enterprises in these days because of the demands made by the public for social and other services has increased between the date when the rate that went to wage earners was fifty-one per cent and now when it is thirty-six per cent in a far greater ratio than the lessened distribution among wage earners.

I have never been able to follow the figures to which the hon. gentleman referred as the amount necessary to be received on the average by every wage earner in the country to enable him to live in comfort. It is not the first time I have heard these figures used, but although I have not had an opportunity to investigate them, I think they must refer to the average of all wage earners probably including apprentices and youths in ascertaining the sum total of wages, because even those who fish by the sea sometimes receive as much as ten, twelve or thirteen dollars a day and those engaged in many occupations to which reference might be made, receive during the time they are employed, fairly large sums. But that is beside the question. This is a contributory insurance measure. It was for that measure, the principle of which is contributory insurance as has been explained in the house, that the hon. gentleman voted yesterday. Just why beween then and now he has had a change of heart, he has seen a new light, I cannot say. But at any rate he now says that he did that for the purpose of enabling the bill in committee to be amended by striking out the contributory clauses. That is an excellent reason why one should vote against the second reading of it; it is a little difficult to give it as a reason why one should vote for it on second reading and then destroy it in committee. This measure falls if this amendment carries. It falls in its entirety, for it is predicated upon actuarial computation based on contributions being made by the three parties to it: the state, the employer and the employee.

Mr. COOTE: I am sure there are in Canada certain low paid workers who are not in a position now to make any contribution, and it should be possible to provide in the bill for the establishment of a minimum wage line whereby workers receiving wages below that line should not be asked to contribute. The contribution in such cases might come from the industry and the state combined. It might be possible to include in the bill a provision of that kind. I feel strongly there are certain people who will be called upon to contribute under this scheme and whose wages are now so low that it really does not seem proper to compel them to make such contributions.

Mr. MacINNIS: Just a word or two in connection with this amendment. Following the remarks made by the hon. member for Macleod (Mr. Coote), I think we can readily see that the first effect of this legislation will be a reduction in purchasing power and consequently an increase in unemployment. So that when the purchasing power in the hands of the workers is reduced the first result of this measure will be to hasten the day when they are unemployed. It may equalize itself to a degree when they begin to receive benefits, but undoubtedly, as has been pointed out already, the first result will be to increase what it aims to reduce. Then again we found during the investigation by the price spreads and mass buying committee that many of those who are employed had to receive help from the relief departments of the cities in which they lived. If something more is to be taken out of their wages by contributions under this bill that will have to be made up by the municipalities. So I do not think we are getting anywhere by this legislation as long as it remains on a basis requiring contribution from those who are already receiving far less than is necessary for a decent standard of living.

Mr. GARLAND (Bow River): Last year we had an illustration which should have made it clear to the Prime Minister how one can vote for the general principle of an unemployment insurance bill without committing himself to the contributory feature. That was not regarded as the principle of the bill either on second reading or at any time. Last year when the central bank bill was under consideration an attempt was made to move an amendment providing that the central bank should be publicly owned, and the house was informed both by the Minister of Finance and by the leader of the opposition that the principle of the bill was the setting up in Canada of a central bank, not the question whether it was to be publicly or privately controlled. That, they said, was a detail which could be determined in committee. So in this case the contributory or non-contributory feature obviously must be a detail, and was held to be so from the beginning; nothing to the contrary has ever been said.

As to the question whether or not the figures I have given in regard to the distribution of the wage earner's dollar are fair, the Prime Minister is probably as good a judge as I am. I gave the committee exactly what appeared in the monthly survey of the American Federation of Labour. I quote further in order to make it very clear:

> That the workers have taken the "rap" during the depression is graphically revealed by Department of Commerce figures quoted by the "Survey." They show that during 1933 dividend and interest payments were 64 per cent of the 1929 level, while wages were only 41 per cent.
>
> Even more startling was the statement that workers are getting less and less from the income they create. This is demonstrated by a graph reprinted herewith—

From which I have already quoted.

> On the other hand, profits and overhead during the same period increased from a half to nearly two-thirds of the value created by manufacture. This, the "Survey" pointedly remarks, has steadily decreased the amount of goods workers can buy, with the result that efforts to get back to normal conditions have been halting.

So is it with this bill. This is going to halt recovery instead of advancing it. To the extent that it extracts purchasing power from the people, to that extent it hampers recovery.

Amendment (Mr. Garland) negatived.

Mr. BRADETTE: I want to call the attention of the committee to another feature of this matter. There is no doubt this question has been thoroughly studied in England and elsewhere. When I spoke last year on the resolution of the hon. member for East Hamilton (Mr. Mitchell) with respect to unemployment insurance I said that the machine should also be taxed. I believe that unless this is done the present bill is going to have the effect of bringing about more rapid industrialization of industry. No one can quarrel with the use of machines in the present industrial order, yet the fact remains that the machine is replacing men in great numbers, and unless it is found possible under this measure to tax to some extent the mechanization of industry it will defeat its own end, for the good reason that industries will try to use more and more machinery. I could give many instances of mechanization so highly advanced in some factories that practically no men are employed. This does not apply so forcibly in the mining and the newsprint industries. I want the Prime Minister to study that question. I am very serious in making the statement that this legislation will operate to encourage higher mechanization, replacing the human worker more and more, and unless something is done towards a graded ratio of taxation on the machine we are going to have more and more people unemployed, because it will simply hasten the natural evolution towards higher mechanization. Some two years ago the civilized world was startled by the famous term "technocracy." It was recognized that machinery was creating an anomalous situation, although perhaps not so serious as some of those American engineers tried to make the world believe; nevertheless the fact remains that at the present time when we are suffering so much from unemployment it is largely due to the fact that man is the servant and not the master of machinery. This has become more and more pronounced in our industrial life. I repeat the statement I made last year, that unless we find it possible to make the machine that is replacing men so rapidly pay something toward the state so as to allow men to remain at their occupations it will not help the functioning of the new social order. No doubt this angle has been studied by different committees, but I believe it would be in order for this committee to establish a ratio, inasmuch as the machine is entering to a greater degree into some industries than others, as a means towards the establishment of an equilibrium in the working population. If this is not done unemployment is going to become more and more pronounced. Anyone who has been studying the industrial evolution of this country for the last twenty-five years can see the stupendous changes that have taken place. These changes should work for the

welfare of civilization, but unluckily they have worked to the detriment of the workingman. This bill should provide that highly mechanized industry should be taxed on a higher scale than industries which do not use so much machinery. I make this prophecy, that unless it is found possible to establish an equilibrium so that the replacement of men by machines is made to serve the welfare of the working population as a whole, such legislation as this will defeat its own end.

Subsection 2 agreed to.

Subsections 3 and 4 agreed to.

On subsection 5—employer's contribution payable in respect of exempted person:

Mr. BUTCHER: I should like to ask the Prime Minister a question. Subsection 5 says:

> The employer of a person who holds a certificate of exemption under this act shall be liable to pay the like contributions as would be payable by him as employer's contributions if that person were a person insured under this act, and in this act any reference to the employer's contribution shall be construed as including a contribution payable under this subsection.

Section 16 was rather glossed over, but I notice among the exempted persons under subsection (b) we have—

> —a person who is employed in an occupation which is seasonal and does not ordinarily extend over more than twenty-two weeks in any year and who is not ordinarily employed in any other occupation which is insurable employment; or
>
> (c) a person who habitually works for less than the ordinary working day—

I wonder why it is provided that in this case the employer must pay the contribution. Will the Prime Minister explain?

Mr. BENNETT: A certificate of exemption is in certain cases granted to an employee under section 16. By subsection 5 of section 17 the employer must continue to pay in the case of one exempted under section 16 as in all other cases. Therefore the employer must pay, just as if he had not applied for the certificate, so far as the individual employee is concerned.

Mr. BUTCHER: Then the employee would not receive benefits if he became unemployed?

Mr. BENNETT: No, he would not.

Mr. HOWDEN: That covers a large number of employees. Subsection (b) of this section deals with persons employed in seasonal occupations. There must be very many persons who are employed seasonally in the one industry alone.

Mr. BENNETT: Section 16 deals with the case where the person himself applies for and obtains from the commission a certificate. Under subsection (b) he is a person employed in an occupation which is seasonal, which does not ordinarily extend for more than twenty-two weeks in a year, and who is not ordinarily employed in any other occupation which is insurable employment. That is one class; the other is composed of persons who habitually work for less than an ordinary working day. The application is made by the individual, in order to relieve himself of any further interest in the matter. The counterpart of this section will be found in the English act of 1920. If he did not ask for the certificate he would have to pay. By asking for the certificate he is exempt from the opportunity of obtaining insurance in the event of his falling within the provisions of the act concerning benefits, but the employer must continue to pay. It is an arbitrary exercise of power; he continues his payment to the fund.

Subsection agreed to.

Subsections 6 and 7 agreed to.

Section agreed to.

On section 18 (as printed; now section 17) —Payment by stamps or otherwise.

Mr. MACKENZIE (Vancouver): Might I ask the Prime Minister how these stamps are to be distributed, either through the post office or otherwise?

Mr. BENNETT: I thought the hon. gentleman would ask that, because it is a reasonable question. The government has given some thought to the matter, and my personal view is that this should be the method of distribution. But it is thought that possibly the commission should make its own regulation in order to deal with the matter as it thinks best under the circumstances. My own view, which I believe is shared by a great many persons—I shall have something to say about it in connection with another measure that will be submitted to the house later—is that the post office does offer the facilities to enable the stamps to be distributed.

Mr. MITCHELL: Will they be special stamps?

Mr. BENNETT: Yes.

Section agreed to.

Section 19 (now section 18) agreed to.

On section 20 (as printed; now section 19) —Statutory conditions for receipt of unemployment benefit.

Mr. BENNETT: I think this section might be taken by paragraphs. It is a very important section, to which I particularly directed the attention of the hon. member for North Winnipeg and the hon. member for East Hamilton.

Subsections 1 and 2 agreed to.

On subsection (3)—Enlargement of first statutory condition.

Mr. MULOCK: Are the benefits paid regardless of whether or not the person entitled to them remains in Canada?

Mr. BENNETT: The hon. gentleman will remember that in the first part of the first schedule, at page 31, the following words occur:

(b) Employment under the dominion, or under any province of Canada with the concurrence of the province—
(c) Employment outside of Canada, or partly outside of Canada, for the purpose of the execution of some particular work, by persons who were insured contributors immediately before leaving Canada—

So it might be that to a limited extent and under certain conditions payments might be made out of Canada.

Mr. MULOCK: What I had in mind was that if it was cheaper to live in the United States people might draw benefits under this act and spend the money in the United States.

Mr. BENNETT: That contingency we know is always a possibility, because in connection with the pensions paid returned men that is so. Perhaps the hon. member for Labelle will permit me to continue without interrupting.

The CHAIRMAN (Mr. Smith, Cumberland): Order, please.

Mr. BENNETT: Thank you. The provisions of the statute in that regard of course could not be made mandatory, for it might well be that one who had made his payments here might in some case receive his benefit outside the country. I do not think it would be possible to make operative any provision prohibiting that.

Mr. MULOCK: I just wanted to draw that point to the Prime Minister's attention, because I understand that at one time there was some difficulty in Great Britain in regard to money being spent in France because of the lower cost of living there. That condition corrected itself over a period of time, when the cost of living in France increased.

Mr. BENNETT: I am obliged to the hon. gentleman, but I know of no method through which by statute the difficulty to which he refers could be adequately met unless it might be thought desirable to say that no benefit should be paid to any recipient of benefits outside of Canada. That would not cover it, either, for he might have the cheque sent to his ordinary address and then have the money sent to him after the cheque was cashed.

Mr. MITCHELL: I would like to ask the Prime Minister why the forty weeks and why it should be confined to two years.

Mr. BENNETT: With which subsection is my hon. friend dealing?

Mr. MITCHELL: Paragraph (i).

Mr. BENNETT: You must have some period of time, and the period that has been selected is two years. Rightly or wrongly the theory is that there must be a period of time in which to allow the fund to accumulate in order that it may be solvent, and a period of time within which the workman must be continuously employed in order that the fund may be available for the payments to be made under it. In other words the solvency of the fund has been determined to be dependent upon these conditions. There is nothing I can possibly say about it beyond the fact that this, arbitrarily, is the time that has been regarded as proper, and the period of service that has been regarded as proper.

Mr. BOURASSA: Hear, hear. Under the principle of contributory insurance the fund accumulated from the contributions of all parties, whether employers, employees or the state, must be sufficient to ensure the payment of the benefit. Unless that is done the contributory principle disappears. That principle obtains throughout all forms of insurance, whether it be fire, life or accident insurance. The benefits conferred by the insurance fund must be supported by the amount of money contributed to that fund by the interested parties.

Mr. BENNETT: That is the principle upon which this measure is founded.

Subsection 3 agreed to.

On subsection 4—Meaning of continuous period of unemployment.

Mr. BOTHWELL: I have one question to ask in connection with this subsection.

Mr. BENNETT: That is the subsection to which I directed the attention of the hon. member for Comox-Alberni (Mr. Neill), who is not now in the chamber. I thought we should deal with it very carefully, because it deals also with the question of mining, to which the attention of the committee was directed by another hon. member.

Mr. BOTHWELL: Subsection 4 states:

> Any three days of unemployment, whether consecutive or not, within a period of six consecutive days shall be treated as a continuous period of unemployment, and any two such continuous periods separated by a period of not more than six weeks shall be treated as one continuous period of unemployment....

Another section of the measure indicates that that man is considered unemployed and entitled to receive benefits only after he has been unemployed nine days. Would three of these periods of unemployment constitute the nine day period mentioned in the other section?

Mr. BENNETT: The paragraph reads:

> Any three days of unemployment, whether consecutive or not, within a period of six consecutive days shall be treated as a continuous period of unemployment.

That is, after six days of the week have passed and a man has been three days unemployed, whether those days have been consecutive or not they shall be regarded as three unemployed days. That is one period. Then, the paragraph states:

> And any two such continuous periods separated by a period of not more than six weeks shall be treated as one continuous period of unemployment.

That means that if within six weeks we have this event happening twice, you have six continuous days of unemployment which go to make up the nine. That is the position.

Mr. BOTHWELL: He has credit for the six days?

Mr. BENNETT: Yes.

Mr. HEAPS: How would that affect the railway shops to which I referred earlier this afternoon? Men are employed on practically a three days per week basis; they are three days off and three days on. Would this clause affect those men?

Mr. BENNETT: It appears to me that the situation described this afternoon by the hon. member who has just spoken creates some difficulty. I had not been fully advised that there were cases in which there were lengths of time such as have been mentioned here. The hon. member said that for a period of a year men worked only three days a week.

Mr. HEAPS: There is no doubt about that.

Mr. BENNETT: Under those circumstances I should like to look into that subsection a little farther, because if there is a period as long as a year in which men are employed only half a week, obviously there should be some readjustment of the provisions of the subsection.

Mr. HEAPS: There is another point: Suppose men are working twenty hours a week, spread over a five day week, what would the situation be? The basis of their employment is probably only a half or a third of the total regular weekly employment. I believe there is nothing in the measure which takes care of a situation of that kind, and I am wondering whether men working those hours would come under its provisions.

Mr. BENNETT: I shall look into that point.

Mr. COOTE: I should like to draw to the attention of the Prime Minister a condition among the coal miners of my constituency. They may be employed on an average of two days a week over a period of several months. That period of employment may drop to one day a week at one time and go up to five days a week at another. This is a bituminous coal mining district. I am wondering whether those miners would be covered by subsection 4 as it now stands.

Mr. BENNETT: I would suggest that subsection 4 be allowed to stand.

Mr. COOTE: If possible I believe this subsection should be redrafted so as to include men who have employment of such a precarious nature. I believe if that were done it would be worth while.

Mr. BENNETT: I have noted on my bill the hon. member's suggestion, and we shall deal with it.

Subsection 4 stands.

Subsections 5 and 6 agreed to.

On subsection 7—Employment which is unsuitable within the third statutory condition.

Mr. BENNETT: I suggest that we take this subsection by paragraphs.

The CHAIRMAN (Mr. Smith, Cumberland): We are on paragraph (a), "unemployment due to trade dispute."

Mr. GARLAND (Bow River): Would the Prime Minister explain this paragraph and indicate to what it refers? By a "stoppage of work" does he mean a lockout or a walkout?

Mr. BENNETT: Under the measure three statutory conditions must be observed in order to enable the claimant to receive a benefit under the fund. It will be observed, further, that subsection 7 provides:

An insured contributor shall not be deemed to have failed to fulfil the third statutory condition by reason only that he has declined—

That is, he must be ready to work, or to accept work, but he is not bound to accept work if it is—

(a) an offer of employment arising in consequence of a stoppage of work due to a trade dispute.

That is, if there is a strike, or whatever you choose to call it, in connection with any particular work where he could obtain employment he is not said to have declined employment simply because at that time there happens to be a trade dispute. Then he is not said to be in default if he declines—

(b) an offer of employment at wages lower, or on conditions less favourable, than those which he might reasonably have expected to obtain, having regard to those which he habitually obtained in his usual occupation, or would have obtained had he continued to be so employed.

That is, if the only work he could secure was work for which the wages offered were less than those he had been receiving, or the conditions of work were such as to be at variance with those habitually encountered, he could not then be regarded as being in default. Or, he could not be regarded as being in default if he received—

(c) an offer of employment in his usual occupation at wages lower, or on conditions less favourable, than those observed by agreement between employers and employees, or failing any such agreement, than those recognized by good employers.

I realize the words "good employers" are vague, but in actual practice they have been found satisfactory. In other words, a man shall not be punished if he has not been able to find employment because there has been a trade dispute, or because the offer of work is greatly at variance with that to which he has been habitually willing to undertake, both as to wages and conditions; or, even if conditions in his usual occupation are such as to make it unreasonable to expect him to undertake the work at a lesser wage or under less favourable conditions.

At six o'clock the Speaker resumed the chair and the house took recess.

After Recess

The house resumed at eight o'clock.

DOMINION ELECTIONS ACT

ABSENTEE BALLOT FOR MEN IN UNEMPLOYMENT RELIEF CAMPS

Mr. ANGUS MacINNIS (Vancouver South) moved the second reading of Bill No. 16, to amend the Dominion Elections Act, 1934.

He said: Mr. Speaker, this amendment to the Dominion Elections Act is similar to an amendment which I moved on the third reading of the bill last year. The purpose of the amendment is to extend the privilege of voting by absentee ballot to the men in the unemployment relief camps. Voting by absentee ballot was not in the Dominion Elections Act up until the act of 1934. The privilege is restricted to lumbermen, miners, sailors and fishermen. The purpose of that provision is to allow men to vote by absentee ballot who are unavoidably away from their polling division or electoral district on election day. The Dominion Franchise Act made provision for the registrating of the men in the unemployment relief camps, and I am quite satisfied that the government had in mind that they should have every opportunity of exercising their franchise. I will read the section dealing with that so that hon. members may have it clear in their minds that there was no intention, so far as the act itself was concerned, to deprive these men of their franchise. Rule 9 of subsection 2 of section 3 of the Dominion Franchise Act reads as follows:

Notwthstanding the provisions of any other of these rules, time spent by a person at any unemployment relief camp, or in any institution or refuge maintained, either by public or private moneys, for the relief of distressed or unemployed persons, shall be deemed to have been spent by that person in temporary absence from his last place of residence as determined pursuant to these rules, and if there be any such place of residence or home, either of himself or of any member of his family, to which he could return, he shall, notwithstanding his presence in such unemployment camp, be registered at such place or residence or home, and moreover no person who is registered as an elector under this act shall merely because of

time spent by him at an unemployment relief camp, or in such an institution or refuge, lose his residence qualification in the electoral district in which he is so registered.

I think that makes it quite clear that the government and parliament had in mind that these men should have the opportunity of exercising their franchise. But a peculiar circumstance in connection with the men in the unemployment relief camps is that most of them are away from the constituency in which they are registered. At some of the camps in the interior of British Columbia, for instance, no doubt a great many of the men come from Vancouver or New Westminster or neighbouring constituencies. It is impossible for these men to leave the camp and go into their own electoral districts to exercise their franchise on election day. So that while provision has been made for registering these men presumably for the purpose of allowing them to exercise the franchise, conditions are such that it is impossible for them to do so. They are, as a matter of fact, in just the same position as those for whom provision has been made to vote by absentee ballot. I remember that in the debate on this question last year the hon. member for Comox-Alberni (Mr. Neill) made this statement:

> It is no crime to have to earn your living away from home and by the methods I have indicated. There is no suggestion that these people are of a low standard because they have to go away to earn their living. Surely they are entitled to a chance to vote.

He was referring at the time to lumbermen, miners, sailors and fishermen. Now I take it that what holds for these occupations holds equally well for the men in the unemployment relief camps. It is no crime at this time to be unemployed. It may be inconvenient, but it certainly is not a crime.

The amendment would apply only to such men as are entitled to vote in the particular province in which they live. That is, if a person in an unemployment relief camp in British Columbia is not ordinarily entitled to vote in the province of British Columbia, and is not registered in any constituency of that province, this amendment will not give him that right. He must be registered in some constituency in the province before he is allowed to vote.

I think it is very important, Mr. Speaker, that we should give every consideration to these men. They are in rather difficult circumstances, and because of their condition they feel that society is, as it were, against them. We should employ every means possible to disabuse their minds of that idea, ideas which they have every opportunity of hearing propagated. I was at a meeting only last week where one of the questions asked was: "How can we change the present order by constitutional means when the men who are now in the camps are disfranchised? And this is only a beginning. Next year we might see more of them disfranchised." Now unless we take steps to see that these men are placed at least on the same basis as those already provided for in the act I believe they will have a good case for the statements that are being made.

During the debate on the elections act last year the Prime Minister (Mr. Bennett) said:

> If people go about and try to raise passions and prejudices by saying that parliament is endeavouring to take away from persons the rights and privileges they enjoy, that argues ill for democracy and for its future.

But people will do these things as long as we give them an opportunity, as long as we leave any loophole for them to do so. I am convinced that if we are to get out of the difficulties we are in now we can only do so through the cooperation of all our people, and that includes the men in the relief camps.

I noticed in the press a few days ago a statement by the Archbishop of York. The church officials were discussing the problem of unemployment, and this is what the archbishop said:

> The great thing is to make the unemployed feel that they still count as members of the community.

I do not know of any better way at the moment to make them feel they are members of the community than to make it as easy as possible for them to exercise their franchise. It is a duty we owe to them, and it will take away any excuse they may have for saying that they have no part in the government of the country. I would therefore ask the house to consider this amendment seriously, to try to see the justice of it, to pass the amendment and extend to these men the privilege which we have already accorded those who are fortunate enough to have employment but are away from their constituency on election day.

Hon. HUGH GUTHRIE (Minister of Justice): As my hon. friend (Mr. MacInnis) has said, this identical motion was introduced by him last year when the Dominion Elections Act was up for its third reading in this house. Last session a special committee studied the provisions of the Dominion Elections Act and one of the proposals which I think the committee very fully considered was that now put forward in the bill before the

house. I think the committee spent two meetings in a discussion of this question, and we unanimously agreed that the men in unemployment camps, while they could not and should not be disfranchised, should not be entitled to vote in the particular riding where the camp happened to be situated. It was pointed out to us, and I think everyone is aware of the fact, that to a very large extent the men in these camps are transients and not residents of the riding in which the camp happens to be located. My hon. friend from Quebec South (Mr. Power) who is not in the house, was a member of the committee and he pointed out very forcibly that there was a very large camp in his riding, that the men there were not residents of the riding, and that it would be most unfair to allow them to vote in that particular district where they were merely transients.

Mr. MacINNIS: This amendment does not suggest that they should be allowed to vote in the constituency in which the camp is located, any more than the amendment proposed last year provided that the miners, sailors and fishermen should vote in the constituency in which they were employed.

Mr. GUTHRIE: Yes, but these men in the camps were largely transients and provision was made in the bill to permit them to vote in their ordinary residential constituencies, in the place where they were accustomed to reside, and machinery was introduced into the act for that purpose.

Mr. MACKENZIE (Vancouver): Was that for voting or registration?

Mr. GUTHRIE: Both.

Mr. MACKENZIE (Vancouver): Was arrangement made for transportation?

Mr. GUTHRIE: No. On this point the committee was unanimous and we reported the bill to the house. A suggestion was made by the hon. member for Comox-Alberni (Mr. Neill) that there should be special provision with regard to fishermen, sailors, miners and lumbermen—not for such sailors, fishermen, miners and lumbermen as were in unemployment camps, but men whose business called them away from home and made it very difficult if not impossible for them to reach their homes to vote. A special amendment was introduced by the hon. member for Comox-Alberni to allow men living within a radius of fifty miles, I think—

Mr. NEILL: Twenty-five miles.

[Mr. Guthrie.]

Mr. GUTHRIE: —within a radius of of twenty-five miles of their home, to vote by special ballot at the nearest poll, in the event of their not being able to go home.

Mr. NEILL: Living beyond twenty-five miles.

Mr. GUTHRIE: Yes. Now, when that amendment was before the house—and it was adopted—my hon. friend from Vancouver South (Mr. MacInnis), who has moved the second reading of the present bill, made the motion which he has made to-night, and on that occasion a vote was taken. It is recorded in Hansard, and I see his proposal was negatived by a vote of forty-three to ten. It was at the end of the session and there was a small house, but in the committee there was unanimity in regard to this proposal and a certain degree of unanimity also in this house when the vote was taken.

I cannot accede to the request. I think it is going beyond the bounds of common sense. It is not a reasonable request that men from Nova Scotia or New Brunswick or the prairie provinces settling in Ontario, say, should be entitled to vote in a constituency in which their camp happens to be situated. There is nothing to prevent them—

Mr. MacINNIS: The amendment does not ask for that.

Mr. GUTHRIE: There is nothing in the election act to prevent these men from voting in their own localities. The question of transportation is a serious one, but I am not in favour of the proposal. I was not last year, and the house was against it then, as was also the committee. I must vote against the bill.

Hon. IAN MACKENZIE (Vancouver Centre): The statement of the Minister of Justice (Mr. Guthrie) in regard to what took place last year is eminently fair. It is quite correct to say that there was a unanimous understanding in the committee, of which I was not a member, in regard to the special concession in the bill with respect to absentee ballots. At the same time, when my hon. friend from Vancouver South introduced the amendment last year I took the same stand as I take to-night. I see no reason why these men who, through no fault of their own, are compelled to live in unemployment camps, should be deprived, not actually of the franchise through registration, but of the opportunity to register their votes in whatever riding they may be registered. A considerable number of these men have been registered—in our province at any rate some have been

registered in more than one riding—but unless the Department of National Defence, in charge of these camps, makes some arrangement for transporting them to the polls when the election is held, these men are inferentially deprived of the franchise, though through the regulations in connection with the Franchise Act they may have been given the opportunity of registering. I am certain that many of these men in the camps in British Columbia will be inferentially deprived of their right to vote unless the government makes some arrangement to transport them to the riding in which they are registered under the procedure adopted last year.

The minister is entirely correct in the statement that there was an understanding by the committee last year, a unanimous agreement as a concession for having inserted the provision with respect to absentee ballots, that it would be limited to the four classes mentioned in the act; and after that agreement my hon. friend from Vancouver South, on the third reading of the bill last year, moved his amendment and ten members of this house supported it. On grounds of equity and justice, I submit that these men in the unemployment camps are entitled to exercise the franchise either by the method suggested by the hon. member for Vancouver South or by arrangements made between the government and the proper officials for the transportation of the men to the polls, because they themselves have not the facilities for their own transportation. They are Canadians, and they should be entitled to vote, and for that reason they should be given the proper facilities for registering their votes when the election is held. My hon. friend has suggested one means of enabling them to do so, but there is another way of doing it. That way is to have proper guarantees given by the officials in charge of the election that the necessary facilities will be provided for the transportation of these men.

Mr. THOMAS REID (New Westminster): I think there is perhaps a little misunderstanding regarding both the present bill and the act which was passed last year. The hon. member for Vancouver South (Mr. MacInnis) asks that men within the province of British Columbia working in unemployment camps be given the privilege of voting. Last year when we were discussing this matter it was urged that if a man coming from Ontario were working in a relief camp in British Columbia it would be unfair to ask him to vote in the latter province. Since that time the subject has been discussed from one end of the province to the other. I am going to cite one case. In the constituency of New Westminster there are two camps, both close to White Rock, and in those camps there are four hundred men, mostly returned soldiers. During the registration period one-half of the men gave their address as the city of Vancouver, which is twenty-eight miles from the camp, and if they are going to vote on election day they will have to be transported to that city. The hon. member for Vancouver South is bringing up this question to give to those men the same right as is given under the act to four other classes, and for that reason I support the bill.

Mr. H. J. BARBER (Fraser Valley): I think there is some misunderstanding in regard to the registration, at least as to the ruling given by the commissioner. In my riding there are some twelve to fifteen camps and over four hundred men are registered in them. The commissioner classed the camps as urban districts; registrations took place in them and I believe close to five hundred registered as residents at the camps for the simple reason that they swore that they had no previous place of residence. The commissioner ruled that anyone who had no previous place of residence could register as living in the camp. Thus we have between four and five hundred men who are registered as voters in the camp. I understood and I understand again to-night this is contrary to the provisions of the statute as passed last session.

Mr. C. A. CAMPBELL (Frontenac-Addington): May I add a few words to what the hon. member for Vancouver Centre (Mr. Mackenzie has said? I should like to relate this incident to the house. In the riding which I have the honour to represent there are two camps with a registration of around seven hundred men. The registration last fall allowed only one hundred and thirty-one men in one camp and forty-seven in the other to be placed on the list; one hundred and seventy-eight men out of the total strength have the privilege of voting in that riding. At the present time there are more than five hundred men in the two camps who will have no vote unless they are allowed that privilege under this bill. I agree with the principle of the bill and should like to support it.

Mr. A. E. ROSS (Kingston City): While, as the hon. member for Frontenac-Addington (Mr. Campbell) said, some hundred men voted, I have before me the list of about three or four hundred—

Mr. CAMPBELL: May I say that I have a list for the coming election—

Mr. ROSS: I think I have the floor. In the camps there are to-day nine hundred in one and two hundred in the other. It is most unfair to the voters in that constituency that eleven hundred men should come in and exercise the franchise there. I have their names before me. In June some of them voted in Kingston City and also voted in the camp. There is no way of controlling the vote; it is a most difficult matter.

An hon. MEMBER: Put them in the penitentiary.

Mr. ROSS: There is a way of controlling them which we are not mentioning at the present time. All a man in the camp had to do was to go into Kingston and exercise his franchise and then return to the camp and take an oath that he had been in that camp for so many months. We have them checked up from the time they entered that camp, and I can give the house hundreds of instances—

Mr. CAMPBELL: I rise to a point of order. I understood the discussion was about an amendment to the elections act of 1934. The matter about which the hon. member for Kingston City (Mr. Ross) is speaking is with regard to the old elections act.

Mr. SPEAKER: The hon. member for Kingston City is quite in order.

Mr. ROSS: This is most unfair to the constituents proper. I do not care whether they are in a Conservative or in a Liberal constituency, it is most unfair that by accident a camp is established in some riding and men may gather there from Nova Scotia or British Columbia to a number equal to nine hundred or a thousand and be given the vote, thus offsetting the desire of residents in that constituency who should have the say as to its direction rather than men who happen to be there for a few months. The provision has been unfairly used. This affects not only men in the camps but students in the universities where perhaps two or three thousand may be gathered. Why not give students the vote the same as the men who are gathered in camps? These students have not been given the vote; they are required to be residents so long and they were ruled out. This question affects both parties. It would be most unfair to make an amendment which would apply to constituencies where these camps for unemployed men are situated.

Mr. C. G. POWER (Quebec South): I have just entered the chamber, but after listening to the remarks of the hon. member for Kingston City (Mr. Ross) I am rather of the opinion that the distinction between the franchise act and the elections act is not quite clear in his mind. The matter of giving the franchise to persons in these camps was discussed before the committee which considered the Dominion Franchise Act last year and I think it was pretty generally, almost unanimously agreed that persons who were in these camps should not have the right to be registered on the electoral list of the place where such a camp was situated. That is the point brought up by the hon. member for Kingston City. It would be grossly unfair to colonize any given constituency by opening unemployment camps there and allowing the persons who temporarily are in that camp to have the right to vote in that constituency. It was with this in mind that when the Dominion Franchise Act was passed there was inserted in it a provision dealing with residence, stating, among other things, that no person should be inscribed on the list unless he was a bona fide resident of the constituency in which he wished to be inscribed. I am reading from the franchise instructions issued on August 15, 1934, Dominion Franchise Act, part I, page 46, rule 9. Rule 9 governs the registrar in deciding whether or not a person living in an unemployment camp should be registered—that is, who shall have the right to vote in the constituency in which the camp is situated.

Mr. ARTHURS: When was that issued?

Mr. POWER: August 15, 1934, under the authority of the Dominion Franchise Act, 1934. The rule says:

> Notwithstanding the provisions of any other of these rules, time spent by a person at an unemployment relief camp, or in any institution or refuge maintained, either by public or private moneys, for the relief of distressed or unemployed persons, shall be deemed to have been spent by that person in temporary absence from his last place of residence as determined pursuant to these rules and if there be any such place of residence or home, either of himself or of any member of his family, to which he could return, he shall, notwithstanding his presence in such employment camp, be registered at such place or residence or home, and moreover no person who has registered as an elector under this act shall merely because of time spent by him at an unemployment relief camp, or in such an institution or refuge, lose his residence qualification in the electoral district in which he is so registered.

So that under this rule the registrar and the enumerators at the time of the general registration last summer were not permitted to register persons living in unemployment camps as voters or electors of the constituency in which the camp was situated. But there was nothing to prevent relatives or friends, the wife, employer, or anyone connected with these persons living in the unemployment camps, from registering them in their home town, where they had a perfect right to vote, the place in which they resided prior to taking up residence in the unemployment camp. I understand that in some camps at any rate that was done. In the camp with which I am familiar, that in my own constituency, there were five or six hundred persons, but the enumerators, acting under instructions from the registrar, placed on the list only those who had no other place of residence and who on being questioned stated that they had no home to which they could go. So that out of approximately five hundred, some two hundred I think remained on that list. In Valcartier, in the constituency of the hon. member for Quebec-Montmorency (Mr. Dorion), there were I believe some 1,700 voters. The enumerators there made the mistake of believing that everyone who was in the camp had the right to have his name placed on the list. I happened to see some of those lists, and they registered people somewhat in this fashion; Mr.—inski, Russia; Mr.—oski, Roumania; Mr. So-and-so, England; Mr. So-and-so, Montreal, and so on. Well, it was pointed out to the registrar that in the first place an address in Russia did not give a person the right to the franchise in Canada; neither did one in Roumania, and after a while he understood that and these names were stricken from the list. The next step was to bring to his attention the fact that residence in Montreal did not under any franchise act in force in Canada give the right to vote in the constituency of Quebec. After considerable and careful perusal of the act he came to the conclusion that perhaps that was so, with the result that the 1,700 names on the list at Valcartier camp were eventually reduced to eighteen.

Mr. MANION: Eighteen hundred or eighteen?

Mr. POWER: Eighteen names. So my hon. friend from Quebec-Montmorency will enjoy the pleasure of having eighteen votes in his favour—or let us hope against him—at the next election.

Mr. COTNAM: I wish they came in my riding.

Mr. POWER: Well, he was a very good registrar, appointed I understand on the recommendation of my hon. friends opposite, and he did a good job once he became convinced that the list should be purged.

But that has not much to do with the question now before us, which is this: shall any other persons who came to the unemployment camp afterwards and who are registered in their home towns have the right to the benefit of the provisions of the absentee clauses? The absentee clauses were inserted in the act at the urgent request of my hon. friend from Comox-Alberni, who stated that in his constituency and a number of constituencies in British Columbia there were persons who registered in their home towns but who, owing to the exigencies of their occupations, were obliged to be absent for long periods of time, such as sailors, miners, loggers and fishermen. He submitted to the committee and to the house that a great injustice would be done if these men were not permitted to vote by the system known as absentee voting. Many members of the house I think were not very keen on beginning what was a new departure, for us in eastern Canada at least, although I understand that absentee voting has been in effect in western Canada; but after some discussion it was agreed that four specific classes could enjoy that benefit. But as was pointed out at the time, no sooner had it been agreed to open the door for four classes than every other class, from gooseberry pickers to commercial travellers, wished to come under this benefit. If the doors be opened widely enough, sooner or later people will not take the trouble to go home to vote; they will expect to be able to vote anywhere. The provisions are of course well known to hon. members: any person in the categories named who on election day happens to be at a polling division in another constituency, or even in his own constituency twenty-five miles from his home, may go to the polling booth, demand a ballot, state his residence and qualification, and swear before the deputy returning officer that he is on the permanent list; and having fulfilled those formalities he is handed a ballot. He votes, and on the night of the election the result of the vote is telegraphed to the proper constituency—

Mr. BURY: It must be within that province, must it not?

Mr. POWER: Within that province. The ballots are afterwards sent on to the constituency in which the voter is registered, and if on checking up it is found to be a bona fide ballot it is counted. That applies at the present time to four categories.

The object of this bill is that a person who through no fault of his own happens to be in an unemployment camp, but whose name is registered in his home town, shall be allowed to go to the poll nearest to that unemployment camp and vote as in his own constituency. Personally I have no strong views on the matter, except that I am rather inclined to share those of the Minister of Justice (Mr. Guthrie), that if you open the doors still wider, sooner or later the whole effect of the act as to forcing a man to go to the poll nearest his own home, and providing a great many other safeguards, will be defeated. It is perhaps easy enough to provide safeguards for a small number of categories, but if we increase the categories to any great extent there is no telling where we will stop, and we do not know how difficult it may be to provide efficient safeguards for ordinary voters. I think last year I said I was in favour of this principle; I have no objection to it, though I must say that I should be just as glad if there was none of this absentee voting under the act at all.

Mr. A. W. NEILL (Comox-Alberni): Mr. Speaker, I am and always have been of the opinion that the absentee vote should apply to everyone in Canada, subject of course to the restrictions in the act confining it to the particular province in which the man or woman is domiciled. I was not a bit enamoured of the act we passed last year; I do not think it was an improvement in any way upon the old act which, by and large, gave us a pretty fair deal and provided a ready and convenient means of getting on the list and voting. In the final analysis everyone was protected by the opportunity of swearing himself in on election day. That did away with any possibility of wrongdoing or of people being left off deliberately, yet it provided safeguards so that there was very little abuse.

When the Prime Minister (Mr. Bennett) introduced that bill he referred to the fact that in many respects it resembled the act that had been in force in British Columbia for a number of years, but as I pointed out at that time unfortunately he did not adhere to the British Columbia act in all particulars and, as the saying goes, that spilled the beans. For instance the British Columbia act provides that the court of revision shall be held every month, whereas under our act it is to be held every year, which makes a very great difference. Again, British Columbia has the absentee vote applying to everyone, while we restrict it to the four classes that have been named. When the resolution was brought in last year I pointed out these facts. I need not read what I said, but I pointed out that if we were going to follow the British Columbia act we ought to take the bitter with the sweet, whereas we appeared to have taken the worst features of the British Columbia act and to have left out the better ones, the safeguards. At all events my opinion, which I urged in the house, was that we should have the absentee vote applying to everyone. It is quite true that if you look at Hansard you will see that, speaking selfishly for my own district and others in the vicinity, I said that it would fall particularly hard on the four classes I named; when the matter came up in committee the minister was good enough to grant my request, and the act was so amended. I was grateful for that; on the principle that I should accept what I could get if I could not get what I wanted, which is always a good principle in politics, I was grateful for that concession, but at the same time I see nothing wrong with the idea that this privilege should be extended to everyone.

The hon. member for Quebec South (Mr. Power) indicated that if the privilege were extended everyone would get in, berry pickers and people like that, but why not? It would also allow school teachers to vote, as many of them cannot vote to-day. It would also allow many ministers to vote. Very often they change their stations, as school teachers change their schools, at such times that under our existing system they are not able to vote because they are not permitted the absentee vote. When I was speaking last year I stated that this system would disfranchise hundreds of people in my riding, and my experience since that time amply bears out that statement. The way the act has been carried out, with the list being made up on a fixed date last fall, has worked very much to the prejudice of a great many of the people whom I represent. The enumerator would go to a certain place where he would find ten people. He would put those ten people on the list, but he would not want to put a poll there because ten people would not be enough. That might be so, but by next July there might be 150 people there, or vice versa.

Take the case of a cannery; when the enumerator went there, with the cannery running there might be 150 voters at that point, but when the actual election comes along there may not be ten or even three people there. Under the old system the list was made up within sixty days and it included the people actually at the particular point, not people who might or might not be there. The old system was infinitely preferable, even with the improvement in the new system that has been brought about by giving the absentee vote to these four classes. There are still large numbers of people who are going to be prevented from voting in the district I represent and in the adjacent district of Vancouver island and the lower mainland.

While I am quite willing to vote for this bill as indicating my belief that these people should have the absentee vote, I would very much prefer to have the hon. member who introduced the bill widen it to allow everyone to have that privilege. A great deal of the antagonism that I have found in connection with this absentee vote has come from our friends in the east, simply because they are not familiar with it. I do not think you will find any man from British Columbia who has had experience with this system who will say there is anything wrong with it, or that it lends itself to any kind of manipulation or graft. It does not, or we would have found it out before this. As a matter of fact we did; it was corrected and the leak was stopped, so that now the system cannot be abused at all. I would prefer to see the absentee vote extended to all those who are entitled to vote according to the act.

Mr. HENRI BOURASSA (Labelle): Mr. Speaker, I am sorry that for once I must disagree entirely with my deskmate (Mr. Neill) for whom I have so much esteem and consideration. Quite contrary to his opinion, I am not only opposed to this bill but I think we are going too far away from the basic and solid principles of sound democracy, by extending the franchise to many people who should not be allowed to use it to defeat the influence of the people who are really interested in and who compose the mainstay of the state. Under conditions as they exist at present in Canada I believe people who are living at the expense of the state and who give practically no service to the state should not be entitled to vote. I do not think those receiving the dole should vote. I do not think returned soldiers who live at the expense of the state should vote. I think the people who, by their votes, determine who shall govern the country and who shall make our laws, should be the people who pay taxes and support the government of the country. So in that regard I go beyond what the hon. member for Quebec South (Mr. Power) stated and in the opposite direction to my good friend and deskmate. I would say that instead of extending we should restrict the suffrage. If we want to save democracy we must put it in the hands of the people who have democracy at stake and not in the hands of those who want to exploit democracy simply to live upon it and make profit by it.

I do not want to say any more about this, but on the eve of an election I think the house generally and some hon. members of it are tempted to flatter as many people as they can and to appeal to the vanity or to the political influence of as many people as possible. I do not make that observation for the benefit of my good neighbour; I know he could be elected by any majority he wished by the constituents in his electoral division. He is a good Scotchman, and no matter what amendments we may pass he would not be affected. But in its closing days parliament is tempted to flatter the masses in electoral and financial matters. Let us appeal to the reason of reasonable people who have something at stake, who do something for the support of the government and for the support of the nation, and who thereby acquire some sense of responsibility. The idea of giving votes to people living in camps at the expense of the state which would equalize the votes of fathers of families or property owners paying taxes, and bearing the load of civic and national responsibility, and the idea of making equal before the law people who are absolutely useless to the nation as compared with people who are most useful, is an unsocial and undemocratic procedure. So far as I am concerned I am prepared to vote against any measure which tends to increase the electoral franchise without giving due regard to the civic and national responsibilities of the people exercising that franchise.

Mr. A. E. MUNN (Vancouver North): Mr. Speaker, there are several hundred men in camps in my constituency. I should like to say to you and through you to the hon. member who has just taken his seat (Mr. Bourassa) that many of those men are real, honest-to-goodness thoroughbreds.

Mr. BOURASSA: Oh, yes.

Mr. MUNN: It is not their fault that they are in the camps; they are there through their misfortune. Despite the fact that they are not revenue producers and are a charge on the state they should have something to say in the affairs of their country, and should have

some encouragement to place their views on record. Why keep them down? I believe it is a mistake to view the matter as it is viewed by the hon. member who has just spoken, and I am strongly in favour of giving those men the vote to which they are entitled.

Hon. ERNEST LAPOINTE (Quebec East): Mr. Speaker, I should like to say a word in explanation of the vote I wish to give. I am in favour of a universal franchise and in favour of the men in question herein having the right to vote, but I am opposed to the method suggested of giving them that vote.

Hon. FERNAND RINFRET (St. James): Mr. Speaker, I had not risen because I thought it would be proper to give hon. members an opportunity to vote on the motion before the house. However, as the sponsor of the bill intends, I believe, to close the debate I should like to make some observations along the line of those which have been made by the ex-Minister of Justice (Mr. Lapointe).

I do not share the views held by the hon. member for Labelle (Mr. Bourassa). I believe every Canadian should vote, and that is the stand I have taken on previous occasions in my native city. However, although every Canadian has the right to vote, the law has provided that the exercise of that right shall be attended by certain formalities. Unfortunately the men in the camps cannot carry out those formalities. If by mistake the name of a man living in the very centre of the city is dropped, and he does not take the opportunity offered by law to rectify the mistake, he cannot vote. As a candidate in previous elections and one who is likely to be a candidate at the next election, I say it is difficult enough to follow the votes of those whose names are registered and who will exercise their votes in a proper way, without having to follow a flow of votes through the mail or otherwise. We have had such experiences in the past, and they have not been pleasant. I do not believe in the spreading of votes; I would be in favour of giving everyone an opportunity to register where he resides. In the event of that not being feasible, however, I should rather have a few men disfranchised than have the whole electoral system crippled by the possibility of registering votes in so many different ways. Therefore, although in principle I am in favour of every Canadian having a vote, I am also in favour of the law being strictly followed, and for these reasons I shall not vote for the bill.

[Mr. Munn.]

Mr. ANGUS MacINNIS (Vancouver South): Mr. Speaker, I believe the Minister of Justice (Mr. Guthrie) went out of his way to give a wrong impression of the amendments. The term "absentee voter" is very clearly defined in the Dominion Elections Act. Paragraph (a) of subsection 1 of section 99 states:

> (a) "Absentee voter" means a person, being one of the classes of persons in the next following subsection mentioned, whose name is registered on the list of electors of a polling division of an electoral district and who seeks to vote pursuant to sections 99 to 104, inclusive, of this act.

Before a person may vote as an absentee voter his name must be on the voters' list for some constituency in the province in which he tries to vote. If his name is not on the list he cannot vote. For example, let us take two individuals both registered in the constituency of, we will say, Vancouver Centre, in the province of British Columbia. One obtains employment which takes him more than twenty-five miles outside the city of Vancouver. On election day that man may vote by absentee ballot. The other, however, has not been fortunate enough to obtain employment and has had to go to an unemployment camp. His name, too, is on the voters' list and for that reason he is entitled to vote, but because of the distance between the camp and the city he cannot be in the city on election day. Because he cannot go to the city and because he is not employed he is deprived of his vote. It is not suggested in the amendment that the vote should be extended to transients going from one province to another, but only to those who are on the voters' list of some constituency within the province.

I do not wish to carry the discussion to any greater length, but I am sure that unless we extend this privilege to the men in the unemployment camps—

Mr. SPEAKER: I call the hon. member's attention to the fact that it is now nine o'clock.

Mr. MacINNIS: —we will be doing an injustice to those men.

UNEMPLOYMENT INSURANCE

MEASURE TO ESTABLISH AN UNEMPLOYMENT AND SOCIAL INSURANCE COMMISSION

The house resumed consideration in committee of Bill No. 8, to establish an unemployment 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—Mr. Bennett—Mr. Morand in the chair.

On section 20 (as printed; now section 19) —Statutory conditions for receipt of unemployment benefit.

The CHAIRMAN (Mr. Morand): we are on subsection 7, paragraph (b).

Mr. EULER: Before we rose at six o'clock I was going to ask the Prime Minister what means would be adopted to ensure that the beneficiary has complied with the conditions laid down. Is the onus placed upon the man who seeks to come under the provisions of the act to prove that he could not obtain employment, or what safeguards are provided in that regard?

Mr. BENNETT: He makes application for the benefit in the manner prescribed by the act, and the authorities to whom he applies make the usual investigations. It is simply a matter of local machinery, to be dealt with promptly on the spot.

Mr. EULER: But the onus is not placed on the applicant?

Mr. BENNETT: It is merely the same sort of application that you and I would make under a health or accident policy, filling out a form and asking for the benefit.

Paragraph (b) agreed to.

On paragraph (c)—Employment less favourable than observed by agreements between employers and employees.

Mr. MITCHELL: Are these the same as in the British act?

Mr. BENNETT: Substantially they are until you come to lines 25 to 30 on page 12 of this bill. Paragraph (b) comes from the British act, modified by the three acts of 1920, 1924 and 1927, and paragraph (c) from the British acts of 1920 and 1927 modified to meet the situation. When we come to the other it is largely taken from the social security bill for unemployment insurance, being a draft prepared by a committee of the leading authorities in cooperation with the American Association for Social Security. It seemed to meet the situation more equitably, commencing at "provided."

Mr. HANBURY: Referring to the last line of paragraph (c) dealing with a person becoming a member of any association, organization or union of workers, it occurs to me that that should be a recognized union. Otherwise there would be nothing to prevent a small group of men forming some sort of association just to take advantage of the act without, properly speaking, being a national or provincial or local association.

Mr. BENNETT: The question asked by the hon. member for Vancouver-Burrard is not one of easy solution or answer, but it is believed that this is as near as one can approach a solution of the difficulty, and it has been recommended by those who have given it the closest consideration and study. I appreciate the point to which the hon. member refers, but I do not think he would find it easy to substitute anything which might not create greater difficulty than that which he seeks to overcome.

Mr. HANBURY: Unless the Prime Minister cared to insert the words "provincial or national."

Mr. BENNETT: That raises a very distinct difficulty in a national insurance bill.

Mr. SANDERSON: I have a letter with regard to this bill which I should like to put on record. I understand that the Prime Minister has received the same letter, and a copy of it was published in the Stratford Beacon-Herald of the fourteenth of this month. I received this letter with a covering letter from the secretary of Pioneer Lodge, No. 103, International Association of Machinists, of the city of Stratford. It is dated Stratford, February 11, 1935, and reads as follows:

> At the last regular meeting of the above lodge considerable discussion was given to the recent press reports of the unemployment and social insurance bill now awaiting the consideration of the house, and after careful deliberation of the proposed bill, the members present went on record as strongly disapproving the unemployment and social insurance bill in its present form based on the following conclusions.
>
> If the bill is allowed to remain in its present form will it not create a desire for employers to lay off their part time workers, thereby reducing their contributions to the fund of the bill, at the same time throwing more men out of employment who no doubt will eventually be forced to seek relief to maintain an existence? In any event it was noticed that the part time worker will be forced to contribute to the fund for a considerable length of time before he will be eligible to receive any unemployment benefits

due to the fact that forty weekly contributions must be made before he is entitled to any insurance benefits.

Strong objections were taken to the class of workers that are excluded under the proposed bill, such as policemen, firemen, civil servants, etc., and persons receiving an income of $2,000 per year or more, and as a result will be exempted from contributing to the fund, while at the same time certain classes of railway workers who have sacrificed a reduction in their earning power of over 35 per cent in order that more of their fellow-workers might be given employment, and incidentally who also have agreements with the railway companies, through their respective labour organizations whereby with the existing seniority clause the railway worker will derive no benefits from the proposed bill although contributing towards its fund, it becomes apparent that the poorer class of worker is again being called upon to bear the burden, while those who are higher paid and can afford to contribute towards this fund have been exempted.

It was noted that the unemployment and social insurance bill in its present form failed to cover workers employed at seasonable trades such as the mining, lumbering, fishing and agricultural industries employ, inasmuch as the workers in these industries are to a large extent only employed part time (seasonally employed) workers, it was apparent that the workers in these industries would be practically the only workers that would benefit to any extent from the proposed unemployment insurance bill. With this in view it was felt that the proposed bill would have accomplished its purpose to a far greater degree had the bill included workers from the above mentioned industries.

A clause of the bill exception was taken to was that whereby a contributing worker will be disqualified if the loss of employment has been caused through a trades dispute, unless he can otherwise prove that he was not associated with those through whom the trades dispute was brought about; the incorporation of this clause into an act of this nature was it was felt a challenge to organized labour and a discrimination against union membership throughout the dominion.

In general it was felt that unemployment insurance was a benefit only to workers employed seasonally or temporarily, and while it was admitted that such legislation may have covered the situation fifteen or twenty years ago to advantage, it would hopelessly meet the situation existing to-day. What was needed, the members expressed, was a plan enacted that would have as its ultimate object and aim a cure to end unemployment, a promise made to the working people of Canada prior to the last federal election.

With this in view the members of the above lodge present at the last regular meeting instructed me to forward to you their protests and opposition to the proposed unemployment and social insurance bill in its present form, and to assure that they are in favour of, and endorse a non-contributory form of unemployment insurance.

Respectfully submitted on behalf of Pioneer Lodge No. 103 I.A. of M.

Wm. Lyons,
Secretary.

[Mr. Sanderson.]

Mr. BOTHWELL: Should not the words:

—to refrain from becoming a member of any association, organization or union of workers ...

—be given some more explicit definition? I refer to the words "association, organization or union of workers." It might be one big union or something of that kind. In a subsequent section of the bill, section 30, subsection 5, paragraph (b), and again in subsection 9 of the same section, a limited description is given of association, organization or union of workers. It seems to me that these words should be more clearly defined.

Mr. BENNETT: Just before the hon. member came in I answered that question in reply to an inquiry by the hon. member for Vancouver-Burrard. It is difficult to meet the situation by the use of any words that might be regarded as apt, and an effort to do so would create greater difficulties than those incidental to the words here. As a lawyer the hon. gentleman will realize that if we began to name organizations we should get into difficulties. One can trust the good sense of those charged with the responsibility of administration to overcome the difficulty to which reference has been made.

Subsection agreed to.

On subsection 8, paragraph (b)—While following any occupation for remuneration unless outside ordinary working hours.

Mr. MITCHELL: Does that mean that the workman who comes under the benefits of the bill is permitted to earn a dollar a day in addition to the dollar provided for in the bill?

Subsection agreed to.

Section agreed to.

On section 21 (as printed; now section 20), paragraph (a)—Loss of work due to trade dispute.

Mr. POWER: What is meant by the words "financing or directly interested in the trade dispute"? Why the word "finance"?

Mr. BENNETT: The word I believe is taken from the English act of 1924, No. 2, section 4. I think the reason of it is fairly clear and it was referred to slightly last evening. There might be circumstances under which the employee was actively engaged in promoting a disturbance in the property in which he was employed, for certain reasons, personal or national, as mentioned last night by the hon. member for Vancouver-Burrard. My own view is that the provision is to

overcome the possibility of the very circumstance to which reference was made last evening—that is, of anyone finding himself employment for the purpose of destroying rather than helping it, and financing a disturbance. In fact, there was in this country, in the province to which reference was made last evening, some evidence that at one point in lumbering operations financial assistance came from some quarter, I will not say where, for the purpose of creating a disturbance in that particular plant.

Paragraph agreed to.

On paragraph (b)—Disqualification on proof by an officer of the commission of neglect by insured contributor to avail himself of opportunity for work.

Mr. POWER: Why the words "by an officer"?

Mr. BENNETT: I suppose the only reason the word "officer" is used is that it is convenient; it is someone employed by the commission. I do not know that there is any magic in the word "officer" rather than "employee."

Mr. POWER: Why should it be someone employed by the commission?

Mr. NEILL: I call the attention of the Prime Minister to paragraph (e). We are dealing with claims for benefits. A man thinks he is entitled and asks for benefit, but under paragraph (e) he will not get it if he is in receipt of a pension under the Old Age Pensions Act.

The CHAIRMAN: We are not yet dealing with that paragraph.

Mr. BENNETT: With reference to the question asked by my hon. friend from Quebec South, the equivalent section is section 4 of the British act of 1930. The amendment as to disqualifications for receipt of benefit reads:

> If on a claim for benefit it is proved by an officer of the ministry of labour that the claimant, after a situation in any employment which is suitable in his case has been notified to him by an employment exchange or other recognized agency—

And so on. The provision in this bill is taken from that. There is no note indicating why the word "officer" is used in the British act, and I confess I know of no particular reason except that what appears in this bill has been taken from that act.

Mr. MITCHELL: If I may be allowed to refer back to paragraph (a), subparagraph (i), what is the meaning of these words:

> That he is not participating in, or financing or directly interested in the trade dispute. . . .

I can understand it as it affects an employee of the particular concern. But suppose he were an employee of another firm altogether, were out of work, and took part in the strike; would that debar him from the benefits of the act?

Mr. BENNETT: That was the matter tc which the hon. member for Quebec South directed attention a moment ago, and I said that the statement made last evening by the hon. member for Vancouver-Burrard gave some excellent reasons why such a provision should be inserted. It merely refers to an employee who is in fact an employee but who in reality is working to promote the destruction of employment; he shall not be able to take advantage of it. That is all it means. In view of what we know of in one or two instances in this country it is an admirable provision.

Mr. MacINNIS: This section is rather far-reaching. We know that in the matter of defence certain trades help out others at a time of a strike or a lockout. If there is a strike or a lockout and a person who is participating in this unemployment insurance is a member of another trade which, through contributions form the union, is supporting the strike or lockout, would that person be debarred from the benefits of the act?

Mr. BENNETT: I think not. This is a combination of two sections from two amendments to the British act, section 4 of act No. 2 of 1924—the act was amended twice that year—and the other act to which I have referred. It is provided that the act:

> —shall not apply in any case in which the insured contributor proves that he is not participating in or financing or directly interested in the trade dispute which caused the stoppage of work, and that he does not belong to a grade or class of workers members of which are participating in or financing or directly interested in the dispute. . . .

That was subsequently added to by the act of 1927 in section 6, which is not a long one but which merely clears up any possible difficulty there might be with respect to the original amendment of 1924. The section as amended in the English act of 1927 reads as follows:

> Subsection (1) of section 4 of the Unemployment Insurance (No. 2) Act, 1924, shall have effect as if there were substituted for the words "members of which" the words "of which immediately before the commencement of the stoppage there were members employed at the

premises at which the stoppage is taking place any of whom," and as if all the words after "in the dispute" were omitted.

The sense of it is merely to make it clear that because a man has been a member of an organization that is interested in this stoppage, he shall not thereby sacrifice or forfeit his rights, if he proves "that he is not participating in, or financing or directly interested in the trade dispute which caused the stoppage of work, and that he does not belong to a grade or class of workers of which immediately before the commencement of the stoppage there were members employed at the premises at which the stoppage is taking place any of whom are participating in or financing or directly interested in the dispute." That was the provision in the English act of 1927. Subsection (i) stands as it was in 1924 and subsection (ii) comes from the act of 1927, being section 6. I think it is a fair provision and it will be found that in practice it has been.

Mr. HEAPS: Would this prevent any person coming under the benefits of the act from participating in a strike or assisting those who were on strike? Under this clause would he be debarred from assisting either directly or indirectly an organization the membership of which was either locked out or was out on strike?

Mr. BENNETT: The clause with which we are now dealing is one in which there is a prohibition with an exception. The prohibition against benefits is modified by the exception which says that the applicant is still entitled to the benefits if he is not participating in or financing or directly interested in the trade dispute itself; and in the second place, if he does not belong to a grade or class of workers of which immediately before the commencement of the stoppage there were members employed at the premises at which this stoppage is taking place. So I do not see just how the question as put would touch this. This is the case of a worker who under the act would come within the prohibition, but in order that the act might be construed in his benefit there are in the clause two provisions which enable him still to receive his benefit. The first is his, shall I say, non-participation in the dispute, and second, his position with respect to a class of employment in the factory or industry in which he may be engaged.

Mr. GARLAND (Bow River): I can only say that I regard this clause as one of the most ruthless provisions in the whole bill so far as the working people are concerned.

Some hon. MEMBERS: Oh, oh!

[Mr. Bennett.]

Mr. GARLAND (Bow River): My hon. friends laugh rather hollowly when I say that. I wonder why they laugh when they must realize that it has taken the working class generations to build up an understanding in the minds of employers possibly like themselves, that they are entitled to some opportunities to work for better conditions in their industries for themselves as well as for those who are their fellow workers. The first part of the clause reads:

An insured contributor shall be disqualified for receiving unemployment benefit—

(a) if he has lost his employment by reason of a stoppage of work, which was due to a trade dispute at the factory, workshop or other premises at which he was employed.

Supposing, as very often has happened, the employer himself has been guilty of a breach of agreement as between himself and his employees under a trade union agreement; does this mean that that class of people who strike against a breach of agreement on the part of an employer are at once to be disqualified from participation in the benefits under the bill? If so, the bill is a deliberate attempt to destroy the effectiveness of labour organizations in this country. Further, if he participates in, finances or is directly interested in a trade dispute which has caused a stoppage of work, he is to be outlawed. It will be noted that under the subclause of this clause he does not have to be actually in the ranks of the strikers. As the hon. member for Vancouver South suggests, he may belong to another organization altogether, but he may be sympathizing with and assisting those people. I have known for example groups of workers in one union in this country assist another group in another union when they were out on strike. I have in mind some of the strikes in the maritime provinces in connection with the coal industry. There will be more strikes in that industry because conditions in it, both east and west, are positively appalling. Until people go and see the hovels in which these coal miners live, the unsanitary conditions under which they exist and the miserable pittance upon which they live, they will never understand the reasons for what I am now telling the committee. A clause like this disallows not only those men but any others who are endeavouring to do what Britons will always desire to do, that is fight for decent conditions and justice. I think the clause is an appalling one, especially if it is ruthlessly enforced.

Mr. NEILL: Read the next clause.

Mr. GARLAND (Bow River): The next one is just as bad. The Prime Minister, in his quite intelligent analysis over the radio of the prevailing system in this country, has fully justified what I am going to say. He must know just as well as I do that so long as capitalism exists, it will require more than mere regulations by law to compel employers to do justice to their employees. There are exceptions to the rule in all industries. There are some employers who understand the conditions of the workers and who are willing to make mild sacrifices on their behalf; but in the mass there is on the part of the employers nothing but callousness and ignorance of the rights of working people. To insert a clause like this, which has the effect not only of intimidation but of causing these men and their colleagues in other industries to resist in every way even the striving for better conditions, is in my opinion a violation of British justice. I do not like the clause at all.

Mr. BENNETT: In listening to the language of the hon. gentleman one would think his solicitude for those who are unfortunate was born of wide and vast experience.

Mr. DUFF: He heard Tim Buck speaking last night.

Mr. BENNETT: That explains the situation.

Mr. GARLAND (Bow River): No, he was here with the hon. gentleman wrestling over this bill.

Mr. BENNETT: I find the parliament of Great Britain, under governments referred to as socialist or labour and known as national, in the statute of 1934 to which I referred and from which I read, making provision with respect to this very matter. Is there any country in the world in which trade unionism is as powerful as it is in the British Isles? This section having been passed into law by the parliament of Great Britain as long ago as 1920—part of it, and modified and put into its present form in 1934—is it fair to call it ruthless? Is it fair to say that this is an endeavour on the part of capitalists to grind down and destroy their workmen? I do not think it is. I am one who believes that there are many defects in the capitalistic system. I believe that in the main it has functioned very well and that the world owes much of its progress to its functioning as it has. Any system that has lasted for as many thousands of years as has the capitalist system must necessarily have become encumbered with abuses, and some of them it is our duty to endeavour to remove. But a denunciation in wholesale terms of a section of an act that has run the gamut of the parliament of Great Britain, where I think we may say trade unionism has manifested itself as strongly as in any other part of the world, is not in my judgment a fair criticism. In the adoption of this clause from the British act one was following what one regards as a safe precedent. If hon. members of the committee will look at the section they will see that while in the first instance it contemplates the loss of benefits, it also provides, that if the individual concerned does not come within that provision he shall suffer no inconvenience by it. That is the provision, and that is made as fair as it is possible to make it, I think, having regard to the very conditions they had to meet in England. It was proven that in some industries absolute destruction was brought about with great deliberation, not attributable in any sense, as far as could be traced, to the general attitude of mind of the British workers. We know that in this country there have been instances—I do not say they are numerous—in which somewhat similar conditions have obtained. It is to prevent that that the provision was made in England; it is to prevent that that the provision is made here. I cannot think it is going to work a hardship if we adopt a provision that as late as 1934 was crystallized in the legislation of the United Kingdom.

Mr. NEILL: Is this a copy of the provision in the British act?

Mr. BENNETT: Not word for word. I will read it if the hon. gentleman desires.

Mr. MACKENZIE (Vancouver): If trade unionism was giving strike pay to some of its members, would the members so drawing strike pay be regarded as financing a dispute?

Mr. BENNETT: They would be out of the employment under those circumstances, would they not? If they are drawing strike pay they would have to be dissociated from the industry; therefore they would not be receiving pay because they were absent for a cause that does not come within the conditions of the act. Is that not the principle on which they act in England?

Mr. MACKENZIE (Vancouver): Let me read a paragraph from one of the standard books on the act. It says:

Further relief is given by the acts in that the disqualification does not apply if the claimant can prove both of the following:

(1) that he is not himself participating in or financing or directly interested in the trade dispute which caused the stoppage of work; and

(2) that the persons who are so participating in or financing or directly interested in the trade dispute do not include any members of his own grade or class who immediately before the stoppage of work were employed at the premises at which the stoppage is taking place. An attitude of sympathy or benevolent neutrality does not amount to participation; but a person who by ceasing work or in some other way actively supports the cause of the disputants is "participating." If a trade union is paying "strike pay" to disputants, every member who ordinarily subscribes to its funds is regarded as financing the dispute; moreover, the members of a trade union are financing a dispute if the union contributes to the funds of a federation which is paying "strike pay."

It seems to me, with all respect to the observations of the Prime Minister, that there is a good deal in what the hon. member for Bow River says. Although this has been in the British act for some time, it seems to me to be a very drastic section. It certainly interferes substantially with the rights of labour in trade disputes, and to my mind amounts to an inferential conscription of labour. We should not, of course, discuss this in the language of extremism, but notwithstanding the fact that the provision is in the British act, if the correct interpretation is that given by the authority I have just quoted it certainly is going very far.

Mr. POWER: Do I understand from the Prime Minister that this particular provision came into the British act as a result of an amendment in 1934?

Mr. BENNETT: No. Section 21 in the first instance is from the British act of 1920, section 8, and section 6 of the British act of 1927. I refer hon. gentlemen also to the evidence taken before the royal commission at page 1200. As to subparagraph (ii)—"and where separate branches of work," etc.—that comes from the act of 1920, section 8. Then we come to (b) on the same page, which comes from the British acts of 1930 and 1934. The hon. member for Comox-Alberni asked with respect to the exact language. There is some little change in the language to make it conform to the conditions of this country, but as the hon. gentleman has heard it read by the hon. member for Vancouver Centre I think he will agree that it is substantially a statement of the section.

Mr. POWER: I was just wondering if this was not inserted after the general strike in Great Britain. The Prime Minister and many hon. members will recall that ever since the general strike, either when the Conservative party was in power or since the national government has come into power, there has been a distinct tendency to try to take away from trades unions some of the power and authority which they formerly exercised. Legislation has been introduced to prevent them from using their union funds for electoral purposes or for the purpose of electing members to parliament. I suggest, although I have not all the facts before me, that in all probability this clause with respect to participation in or financing of trade disputes was inserted in order to prevent any recurrence of a general strike in Great Britain. If that is so I submit that conditions here are not at all similar and that we do not require any such provision in our act.

Mr. MacINNIS: The further the great reform program advances the less we find there is in it. Now we find that we are not going any further than the Conservative government in Great Britain has gone in regard to unemployment insurance. Regardless of whether or not they call it a national government nothing can hide the fact that it is a Conservative government, dominated by the capitalist class of Great Britain. The capitalist class of Great Britain are no more inclined to be generous with their workers than the capitalist class of any other country. The working class of Great Britain have through the years built up organizations to protect themselves or to minimize to some extent their exploitation. In this section there are very drastic possibilities. I am quite convinced that it could be used in the manner I suggested. Trade unions do help each other in times of strikes. Let us say the moulders' union is on strike; then the carpenters' union may through a levy on their members contribute to that strike. Under this section, just because of that contribution, an unemployed carpenter would be debarred from receiving the benefits of the act. Possibly that would not take place; it would depend largely upon the administration of the act, nevertheless the provision is here and it can be used if it ever becomes necessary to do so.

Mr. BENNETT: The observations made by the hon. member for Quebec South (Mr. Power) can hardly be supported. Section 8 of the act of 1920, which of course was passed prior to the general strike, if my memory serves me correctly, reads:

An insured contributor who has lost employment by reason of stoppage of work which was due to a trade dispute at the factory, workshop or other premises at which he was employed shall be disqualified for receiving unemployment benefit so long as the stoppage of work

continues, except in a case where he has, during the stoppage of work, become bona fide employed elsewhere in the occupation which he usually follows or has become regularly engaged in some other occupation.

The annotator writes:

Apparently if a workman during a stoppage gets other employment he rids himself of the disqualification. If he then becomes unemployed, provided the unemployment does not arise out of a trade dispute, he is entitled to benefit.

That the insurance officer may himself disallow claims for benefit under this subsection, see act of 1930, s. 8 (3) post. As to payment of benefit where claimant not disqualified under this subsection, notwithstanding appeal to umpire pending, see act of 1930, s. 8 (9) post.

Then he proceeds to give the explanations, largely in the sense of the remarks of the hon. member for Vancouver Centre. I cannot think there is anything in that section as originally provided that had reference to the general strike, nor do I think it fair to suggest that the act of 1934, which retained and amplified the provisions of the act of 1920 as I have indicated, to make it perfectly clear that the exceptions could be given effect to, can be regarded as an effort of the capitalist class to fasten certain restrictive provisions upon the employees.

I agree with what has been said as to the hovels in which people have been living; it is one of the most regrettable things in a new country like this that this should be so, and the committee appointed the other day proposes to consider certain phases of that question. I do know employers who have expended much time, effort and money in attempting to make conditions for their employees as excellent as possible. Sometimes they have not been even thanked for it, and in many cases the rewards which have been received by labour have been far in excess of any returns received on the capital that has been invested. I know of that in many cases. I know of one very large industry in this country, the directors of which take a very personal interest in all these social problems and endeavour to make living conditions and wages such as to ensure the happiness and comfort not only of the employees but of their families as well. The fact that regrettable conditions have grown up under the capitalist system merely indicates that the collective power of the state has not been awake as it should have been for the purpose of preventing them. Now that they are here it is the duty of the state to do what it can to remedy these abuses. In England it was thought—perhaps improperly, according to what has been said in some quarters—that an unemployment insurance scheme was a means towards that end. It was believed that this was so. All I can say is that the workers in Great Britain attach very great value to it; I think that is a fair way to put it. I believe that is not an exaggeration, that they attach the very greatest value to it. In continental Europe that is also true, as well as in other parts of the world where they are now discussing this question in all its phases. I refer to the discussions now taking place in the United States, notably in the state of Wisconsin, as to how it might be dealt with. This act admittedly is fashioned on the British act—

Mr. MACKENZIE (Vancouver): Part I of the act.

Mr. BENNETT: Yes; I should say the British act before 1934. The reason for that is obvious; in fact there are two main reasons. One is that they are, shall I say, people who are quite as much interested in the successful operation of a statute of this kind as we are, and therefore they have an outlook similar to our own with respect to the provisions of such a measure. The second reason is the fact that it is of the very greatest value to a new country to have the decisions of courts of the highest competence as to the interpretation to be placed upon the language of the statute. When we can have the language of our statutes construed in the light of expressions of opinion by judicial bodies in Great Britain, we having used the same words that are found in the British statute, it becomes of incalculable value to those charged with administration. I am frank in saying that this section 21, with which we are now dealing, is substantially word for word as it is in the British act, except that there are modifications as between commission and ministry of labour. I can add nothing further to what has been said with respect to that, but I do suggest that it is desirable to have some such provision as this even if we merely base it upon the single instance to which reference was made last evening by the hon. member for Vancouver-Burrard, and of which I think the government that has had the responsibility for maintaining a certain measure of peace, order and good government had a very intimate knowledge. Putting it on that ground alone I think it is very desirable to have that section, for remember the section does not prohibit; it only conditionally says the insured shall lose his benefit, but if he desires to do so he can place himself right by coming within

the exception named here, and I think it can be fairly said that in most cases he would come within that exception.

The hon. member for Bow River asked why he should not be permitted to strike. Only a short time ago I was reading that the most enlightened and advanced labour leaders in both the United States and Great Britain are agreed that in the long run a strike is the most costly and ineffective method to apply for the purpose of solving difficulties of this kind. The practice of referring to arbitration trade disputes and matters of that kind has grown to such proportions that in the main it may be said that strikes are becoming fewer and fewer. There are no great national strikes in this country such as we once knew. It may be said that this is because of the depression, but that is also true in the United States. There have been small expressions of disapproval which have resulted in men walking out and staying out for a time, until they bargained with the management, but in the main I think it is fair to say that antagonisms between employers and employees have become fewer and fewer, because we have the workmen's compensation acts, old age pensions and unemployment insurance provisions. Men are very anxious to maintain their rights and privileges, and long ago they saw that the most costly and expensive method of settling disputes was to refrain from earning more money for themselves and their families, while the easiest way to settle them was to rely on the common sense, fair judgment and, usually, the support of an enlightened public opinion, which you will find generally not on that side necessarily which has the might or the capital but on that side which commends itself most to the fair judgment of the people of the country. That creates public opinion.

Paragraph (b) agreed to.

On paragraph (c)—Loss of work due to misconduct.

Mr: NEILL: I raised a question previously, and I was told to wait until we reached this section. I should like to revert back to paragraph (b), which contains the words, "if on a claim for benefit." There you have the case of a man who has qualified, after making his payments. He comes along and asks for a benefit, but under paragraph (e), on page 14, he will not get it if he is in receipt of an old age pension.

[Mr. Bennett.]

Mr. BENNETT: That is the section.

Mr. NEILL: At page 32 of the bill, in part II of the schedule, under "excepted employments," we find the words:

Employment otherwise than by way of manual labour and at a rate of remuneration exceeding in value $2,000.

That man cannot come under the operation of the measure, but $2,000 per year is a great deal more than $240. This is not a dole; this is an insurance scheme for which a man has made a stated number of payments, and he comes up to claim a benefit which it seems to me is provided by the act. Why should he be cut out because he is getting only $15 or $20 a month.

Mr. BENNETT: The hon. member has perhaps overlooked the fact that it is not probable he would be employed if he were in receipt of an old age pension. In order to receive such a pension he would have to negative the condition of employment. It is perfectly clear no one in receipt of an old age pension would be employed.

Mr. HANBURY: No, or he would not be receiving an old age pension.

Mr. NEILL: He might have some technical ability for which he had been given temporary employment.

Mr. BENNETT: Then he would forfeit his old age pension.

Mr. HANBURY: The hon. member has just referred to subsection (e), and that is why I have risen to speak. In many of the provinces we have workmen's compensation acts, and I cannot see in this measure any provision whereby an employee receiving workmen's compensation is to be exempted, although we do exempt a person receiving an old age pension.

Mr. BENNETT: There are two or three reasons I could mention if I were to turn up the section. The distinction between workmen's compensation acts and the Old Age Pensions Act is, of course, very well known to the hon. member. Workmen's compensation is paid by the employers only into a fund, and the payments create a fund out of which an injured workman is entitled to receive benefits, instead of going to court and obtaining a judgment. The reason he is not exempted in this measure is that if he went to court, received a judgment and had payments made to him he would still be in a

position to receive his benefits under the unemployment insurance scheme. On the other hand, with respect to old age pensions as the law now stands he is practically bereft of assets before he has the opportunity to receive the benefits of such pension. That is the distinction between the two.

Mr. HANBURY: Do I understand the Prime Minister to say that a workman receiving compensation under a workmen's compensation act would be entitled also to receive insurance under this bill?

Mr. BENNETT: I have no doubt about that. Notwithstanding the fact that he may have received benefits under a workmen's compensation act, if he has been employed and has paid forty contributions in two years before becoming unemployed, and is capable of and available for work and unable to find employment, the fact that he had received money for an injury which he had sustained would not deprive him of his right to benefit any more than the fact that he had saved $1,000 and had it to his credit in a savings bank would so deprive him. That is the construction placed upon it in the English courts.

Mr. HANBURY: If that is the interpretation I believe further consideration should be given the point. I shall not say it is a matter of common practice, but I will say we have known cases where men would deliberately maim themselves in order to take advantage of the workmen's compensation act. If at the same time they would be able to draw insurance under this measure we would be putting a premium on actions of that kind. I do not think it was ever intended that industry in Canada, which is certainly providing a portion of the funds from which insurance payments will be made, and is providing all the funds from which workmen's compensation is paid, should ever be placed in that position. I suggest the Prime Minister should take this matter into consideration and ascertain whether some provision could not be made to take care of the condition I have described.

Mr. BENNETT: I was in error in saying that the recent British act does not make provision in the event of old age pension being paid. It does provide that a person shall not receive the benefit under the act if he does receive old age pension. I did not correctly state the provision in the British act. I believe I can make it plain to the hon. member for Vancouver-Burrard that no one would be receiving compensation under a provision of a workmen's compensation act unless he were free from fraud; the tribunal which deals with these matters has decided that he is entitled to receive it. He receives compensation because of injuries sustained in the course of his employment. Any money he may receive in that way could just as easily have been the result of his having been struck by an automobile and receiving $500 from the owner for the injury sustained. He would put the $500 in the bank, and after his recovery would go to work. Under this measure he would receive his benefits just the same as if no accident had happened to him, provided he had worked the requisite number of days to secure the benefit in question. The fact that an employee through a workmen's compensation act has received compensation for injuries sustained during employment cannot in any sense be said to militate against his right to recover benefits which he has secured to himself by paying his premiums during the period of his employment. Old age pensions, however, are entirely different. That is not something which he has received from an employer, and which he has a right to receive; it is something paid to him by the state after he has turned over to the state any assets he may have within a certain figure to enable him to receive the pension in question.

Mr. SANDERSON: Workmen's compensation acts are, of course, purely provincial, and are not the same in all provinces. I suppose we may assume that this unemployment insurance measure will not in any way interfere with the operation of the workmen's compensation acts in the provinces?

Mr. BENNETT: I have explained as clearly as I can that it would not. If I have failed to make the point clear, then I desire to repeat that in my opinion at least—

Mr. SANDERSON: Perhaps the fault is mine.

Mr. BENNETT: It is my fault; apparently I have not succeeded in making it clear that the two statutes cannot in any sense be in conflict.

Mr. SANDERSON: I have in mind the fact that this parliament would have no jurisdiction over the compensation acts controlled by the provincial legislatures, no matter what the provisions of this measure may be. Even if parliament endeavoured to bring down legislation which would interfere with the compensation acts, the provinces would not accept it.

Mr. CAMPBELL: The Workmen's Compensation Act in Ontario carries the provision that people who have been injured and who, having received some payments find that although they are better they cannot work, may be put on life pension. Will they be treated the same as people receiving old age pensions, or will they be considered as people receiving benefits under a workmen's compensation act?

Mr. BENNETT: Benefits received from a workmen's compensation act would have no effect upon a person's rights under this measure as now drafted.

Paragraph (c) agreed to.

Paragraphs (d) and (e) agreed to.

Section agreed to.

Sections 22 and 23 (now 21 and 22) agreed to.

On section 24 (as printed; now section 23) —Definition of benefit year.

Mr. BOTHWELL: Paragraph (b) of subsection 1 of this section reads as follows:

(b) also, in the case only of an insured contributor who has exhausted his benefit rights in his last preceding benefit year, that thirteen contributions have been paid in respect of him since the Sunday last before the last day for which he received benefit;

Under section 20, in order to start to receive benefits under this act, a man must have paid forty contributions within the last two years.

Mr. BENNETT: That is the beginning of the operation.

Mr. BOTHWELL: Then after that, once he has qualified for receiving benefits, he can receive benefits in any benefit year if there are thirteen contributions?

Mr. BENNETT: It is a period of twelve months from the date of his last application for benefit. That is the new benefit year. Then he makes his contributions for the period, thirteen I think it is, speaking from memory, and thereupon he has the right to make further claim for unemployment benefits.

Mr. BOTHWELL: The question I am concerned about is this—it may be clear but I have not been able to see the explanation of it. At the end of a man's benefit year he still may have a credit of benefits accruing to him. Even if he has those benefits to his credit, will he still have to make these thirteen contributions before he can receive any further benefits?

[Mr. Sanderson.]

Mr. BENNETT: The act provides that if an applicant has in his benefit year exhausted all his benefit right he must requalify by making thirteen fresh contributions. I will discuss that matter and make it clear when we come later to the section to which I wish to refer. I asked this afternoon that subsection 4 of section 20 stand because I desired to make an explanation; I shall keep my hon. friend's question in mind when I explain subsection 4 of section 20. There are also three or four other matters of that kind that I desire to make perfectly clear.

Section agreed to.

On section 25 (as printed; now section 24) —Special classes of insured persons.

Mr. MACKENZIE (Vancouver): With reference to subsection 4 of this section, will provision be made for tabling the regulations made in pursuance of the various sections of this bill at the next session of parliament?

Mr. BENNETT: Section 42 deals with that matter.

Section agreed to.

Section 26 (now 25) agreed to.

On section 27 (as printed; now section 26) —Determination of questions by commission concerning the rights of persons and appeals to the exchequer court.

Mr. MITCHELL: I am opposed to any appeals to court in connection with legislation of this kind. I have had some experience with workmen's compensation legislation which gives the right of appeal, and where the employer with all his financial resources is pitted against the individual worker. I would rather see the commission itself be the final court of appeal. I think it has been proven conclusively in connection with workmen's compensation legislation in its application in the broadest sense that the employee is distinctly better off when he stays out of court in matters of that kind, and I would suggest to the government that they eliminate this provision which permits either party to appeal to the courts.

Mr. BENNETT: May I interrupt the hon. gentleman?

Mr. MITCHELL: Certainly.

Mr. BENNETT: Having regard to the progress which we have made with this measure I propose that we leave the discussion of section 27 and take it up again at the next sitting, and I will move that the committee rise and report progress. That will

give the members of the committee an opportunity to consider what is involved in this section. What is involved is whether or not, on questions of law, there should be a determination by a court. There is provision in England with respect to difficult legal questions being settled by reference to a judge, and in this bill the exchequer court has been substituted. With respect to questions of appeal I may say that the other day when the representatives of the Trades and Labour Congress interviewed the government they were very strongly opposed to any provision of this kind. On the ground that there was a risk of the power of the state being pitted against the individual; that is the way it was put by the hon. member for East Hamilton. Perhaps the committee will give a little study to section 27. It may interest hon. members to know that the provisions of the British acts with respect to appeals are found in the statute of 1920, sections 10, 8 and 5; the statute of 1930, in the fifth schedule; and in the second statute of 1924. Hon. gentlemen may desire to give this question some little attention in the meantime, and I hope they will, so that we may be able to arrive at a conclusion founded upon a sound appreciation of just what is involved.

Before moving that the committee rise, Mr. Chairman, I might point out that copies of the reports of the actuaries, Mr. Wolfenden and Mr. Watson, are now on the table and available to the committee, I move that the committee rise, report progress and ask leave to sit again, in order that we may take up a few items of supply.

Section stands.

Progress reported.

SUPPLY

DEPARTMENT OF LABOUR

The house in committee of supply, Mr. Smith (Cumberland) in the chair.

Civil Government—
Labour — salaries, $192,972; contingencies, $26,000.

Mr. NEILL: I wonder if the minister would allow me to draw his attention to a matter that applies to nearly all the departments. I have here the reports for the Department of Labour and also for the Department of Mines, both under the minister's charge, and both these reports cover the fiscal year ending March 31, 1934. I notice that they are signed by the respective deputy ministers, one on April 6, 1934, and the other on May 31, 1934. The point I want to make is this: If these reports are in the hands of the minister on these dates, shortly after the end of the fiscal year ending March, 1934, why cannot they be in our hands before nearly a year later? It is a long time to wait until February, 1935, to get a report which closed in March, 1934. I always understood that it was the delay in getting the material put together, but I find it is ready within a month or two after the date given. Why could not these things be printed and distributed to members in September? On one occasion when the house was called in the fall we did get these reports early, in October if I remember correctly. If they are obtainable in one year why not ordinarily? It would relieve the pressure on printing at this time of the year. I would ask the minister and the Prime Minister as well why these returns cannot be available in the fall.

Mr. BENNETT: The matter, I understand, was not brought to the attention of the minister but I have looked into it. Away back in 1887, I am informed, provision was made whereby the reports might be placed in the distribution office without being laid on the table when the house was not in session, and the Secretary of State has arranged to facilitate the printing of these reports just as soon as the year has ended and the material has been completed. It is proposed to avail ourselves, or I assume that some government will avail itself, of the provisions of the order in council of 1887 to enable the reports to be sent to the distribution office when printed without waiting for the opening of parliament. My attention was directed to the matter some weeks ago, and had it not been that parliament was meeting so soon after that time, the reports would have been sent to the distribution office before being laid on the table.

Mr. NEILL: Will that apply to all reports?

Mr. BENNETT: All that can be made available. The order in council was passed to meet the very situation to which the hon. gentleman refers. The fiscal year at one time ended on October 31.

Mr. NEILL: It will be of great convenience to the public.

Mr. BENNETT: Very great.

Mr. MACKENZIE (Vancouver): Is the Minister of Labour prepared to give any information in regard to his policy this year with reference to the unemployment situation, or does he intend to discuss the matter under some other item?

Mr. GORDON: That will be taken up under another item later.

Mr. MACKENZIE (Vancouver): Under which item of the estimates? We are passing now the labour vote, No. 14.

Mr. GORDON: Yes, civil government.

Mr. MACKENZIE (Vancouver): Under which item shall we have an opportunity of discussing the government policy with respect to unemployment relief?

Mr. GORDON: With respect to unemployment relief, the whole problem is under consideration by the government and has been and is constantly under consideration, and it is more likely to be brought before parliament in the form of specific legislation than by way of items in the supply of the Labour department.

Mr. ELLIOTT: When is the unemployment policy likely to come before the house? A good many hon. members are very anxious to know what it is and when we may expect it.

Mr. GORDON: The policy or plan of immediate relief will be largely determined by the position in which the provinces find themselves and by the representations that they may make to the dominion government for help. Upon their representations will largely depend the course of the government with respect to assistance to them. With regard to works that are purely federal, the plans are under consideration by the government and are not yet in such shape that they can be submitted to the house.

Mr. ELLIOTT: My question was as to whether it was possible for the minister to give us some idea when they would likely be submitted to the house. I assume that at the present time matters are being carried on with the provinces without any definite arrangement for any length of time. Is that correct?

Mr. GORDON: No, not at all. Matters are at present being carried on with all the provinces under the relief act of last year, and the time is definitely certain. The relief act expires by the effluxion of time at the end of the fiscal year, and the agreements with the provinces under which we now operate will expire with the close of the fiscal year. Between now and that time, if the representations made by the provinces seem to indicate the necessity for continuing help to them, then that matter will have to be determined by the government, and the policy of the government with respect to it will not be unduly delayed, but will be brought before the house at the earliest possible moment.

Mr. ELLIOTT: If I may say so, that is not much more definite than the minister's last answer. Can he tell us when we may expect to be told what the policy is, because it is a matter in which a great many people are vitally interested at the present time. If it can possibly be avoided, and surely it can, there should not be any delay until the closing hours of the session. I should like to know whether the minister has any idea as to when he is likely to inform the house what his policies are.

Mr. GORDON: At the present time the dominion government, acting under agreements with the various provinces, is lending such support and assistance as would seem to be necessary in order to enable the provinces to discharge their constitutional responsibilities.

Mr. MACKENZIE (Vancouver): They have lost them.

Mr. LAPOINTE: They have none left.

Mr. GORDON: My hon. friend from Vancouver Centre says the provinces have lost all their constitutional rights.

Mr. MACKENZIE (Vancouver): During this session.

Mr. ELLIOTT: They have just their liabilities.

Mr. GORDON: Everyone will make up his own mind about that. At the moment we are carrying on under these agreements. With the exception of the province of Quebec, I know of no province that has submitted any plan that would vary the agreements which are now in existence with respect to assistance by the dominion government. The agreements now in existence will continue until the end of the fiscal year. I do not think that even an invitation is necessary to most of the provinces to approach the dominion government with respect to assistance they think they may need to carry through after the end of the fiscal year. But communications will undoubtedly pass before the end of the fiscal year between the provinces and this government with a view to determining to what extent the provinces can discharge their responsibilities, and to what extent if any they may need dominion support. When that is made apparent, then I assume, if the dominion has to come to the aid of the provinces again for the coming year,

appropriate legislation will, if it is found necessary, be submitted to the house for discussion and approval.

Mr. ELLIOTT: I am very much obliged to the minister for his explanation, but it does not get us very far. As I understand the situation—and I just want to see if I have it correctly—with the exception of Quebec nothing has so far been received from any of the nine provinces as to what they expect their requirements from this government to be for the year that will start about six weeks from now. If I am correct also in my interpretation of what the minister says, he and the other members of the government have at the present time no idea whether relief similar to what has been given for this year will be required for another year, or whether no relief will be required at all. Am I correct in interpreting the minister's statement?

Mr. GORDON: Communications have passed between this government and the provinces concerning mainly the mechanics of the working out of the present agreements, but no request has been received from the provinces, nor has there been submitted to this government by any of the provinces any plan with respect to what they may need after the end of the present fiscal year. Unquestionably I think it will be necessary to consult with the provinces.

Mr. ELLIOTT: Do I understand the provinces are satisfied with the manner in which the agreement for the current year is being carried out by the dominion government?

Mr. GORDON: In the main, yes.

Mr. MACKENZIE (Vancouver): Do I understand the minister to suggest that the policy of this government is to be based entirely on the nature of the requests received from the various provincial governments in regard to the next fiscal year?

Mr. GORDON: Largely, yes.

Mr. MERCIER (St. Henri): The minister told us a moment ago that all the provinces except Quebec were satisfied with the agreement. How much is the government paying per month to Quebec just now?

Mr. GORDON: I may say that under this item I did not anticipate having to meet the questions which have been put to me, but I will do the best I can to answer them and when the proper item or the legislation comes squarely before the house I will go into the matter in greater detail. Under the agreements which at present exist the dominion is paying to the province of Quebec a lump sum per month as a grant in aid, and that lump sum carries with it no restriction other than it be devoted to the relief of those in distress and needing direct or other relief.

Mr. CASGRAIN: How much?

Mr. GORDON: For the months of August and September the amount provisionally was $600,000 per month, and for the remainder of the fiscal year the amount, if my memory serves me correctly—and I think it does—was such as to provide $500,000 per month. That lump sum as a grant in aid is given to the province without any restrictions, leaving it entirely in the judgment of the province as to where the money should be spent, in other words, where the necessity for the expenditure of the money is most acute. The only restriction is that it be devoted to the relief of those in distress and needing direct or other relief.

Mr. MERCIER (St. Henri): The minister said that the province of Quebec was not satisfied with that grant. Did he receive a counter proposition from the provincial government for other amounts?

Mr. GORDON: The government received through me an offer from the Premier of Quebec wherein he proposed that the province and the dominion should assume in his province the total burden of direct relief. A few days ago a question was put on the order paper and was answered, and the question was then pursued, if my recollection serves me correctly, by the hon. member for Laprairie-Napierville asking that the correspondence be tabled. That correspondence has been tabled; I do not have it under my hand at the moment, but I shall be glad later when these estimates are under discussion to read the correspondence that passed, so that members of the committee may be fully seized of the attitude of the Quebec government and also of that of the dominion government with respect to the matter.

Mr. MERCIER (St. Henri): To make a long story short, what was the proposition of Premier Taschereau of Quebec? Is it true that he offered to pay fifty per cent of all relief to be paid in Quebec, the same proportion to be paid by the federal government?

The CHAIRMAN (Mr. Smith, Cumberland): I would draw the attention of the committee to the fact that we are discussing an item of civil government—

Mr. MACKENZIE (Vancouver): It is the administration of the department.

The CHAIRMAN (Mr. Smith, Cumberland): Just a minute; let me finish what I am going to say. We are on an item of salaries, civil government, and in my opinion the matter that is now being discussed is not relevant to the item before the committee. That is the ruling of the chair.

Mr. MERCIER (St. Henri): The minister is quite willing to answer. He is not asking the chair for protection.

The CHAIRMAN (Mr. Smith, Cumberland): The question is not one of protecting the minister. In my judgment as chairman the discussion is not relevant to the item before the committee.

Mr. HEAPS: On a question of salaries one can discuss almost anything one wishes. We are discussing the salaries of the Department of Labour and if it is so desired by the committee we can discuss the actions of any of the officials of the department during their whole tenure of office. This item includes salaries of the deputy minister and of other officials, and if the members think fit, the activities of those officials can be reviewed by the committee.

The CHAIRMAN (Mr. Smith, Cumberland): The chairman is in the hands of the committee.

Mr. ELLIOTT: No, the committee is in the hands of the chairman.

Mr. MERCIER (St. Henri): What I find very strange is that the Minister of Labour, although quite willing to answer, is stopped—

Mr. GORDON: Of course I am willing to answer any question that I can answer, but no minister in charge of estimates of this kind could be expected to be prepared to answer a particular question on relief, such as has been brought up.

Mr. CASGRAIN: You should be after four years.

Mr. GORDON: I will do the best I can. If my answers are not entirely accurate they will be subject to correction later. While it seems strange that an item such as the civil government vote should bring on a discussion of relief matters generally, I am not a bit put out about it. Go ahead and I will give the best answers I can.

Mr. MERCIER (St. Henri): I am perfectly satisfied. The last question I put was whether the proposition of Premier Taschereau was

[The Chairman.]

that fifty per cent of relief in the province of Quebec be paid by the provincial government and fifty per cent by the federal government.

Mr. GORDON: The Premier of Quebec wrote to me proposing that he would cause his government to pay fifty per cent of the relief, in the municipalities I believe. Whether that means the organized municipalities or not my recollection does not serve me. He offered that on condition that the dominion government would contribute the other fifty per cent, thereby relieving the municipalities from any obligation as far as the relief was concerned. I gave a great deal of thought to the premier's offer. I felt and still feel that when the Premier of Quebec made that offer he was fairly certain that he would not have to carry out his part of the bargain, because—

Some hon. MEMBERS: Oh, oh.

Mr. HANBURY: Because what?

Mr. GORDON: Because I could not consent to it or approve or recommend it. The reasons for that conclusion I think are clearly disclosed in the correspondence tabled a few days ago, to which I will make reference later on when the relief measures are under discussion.

Mr. GRAY: Would the minister be good enough, before he goes into supply on labour again, to bring down and table the correspondence passing between this government and the government of Ontario?

Mr. MACKENZIE (Vancouver): All the provinces.

Mr. GRAY: In particular that passing between the federal Minister of Labour and the minister of northern development in Ontario. I particularly wish to see the correspondence dealing with the trans-Canada highway, and also any correspondence that has passed relating to the amount finally arrived at as to monthly relief to be paid by the dominion to the province of Ontario—that is since the Hepburn government came into office in 1934.

Mr. MACKENZIE (Vancouver): I should like the same in regard to British Columbia.

Mr. GORDON: I shall be glad to bring down the correspondence that passed between this government and all the provinces, so that the committee will be fully seized of what has been done and attempted, and the propositions backward and forward dealing with this most baffling problem.

Mr. CAMPBELL: Has the government made any definite decision regarding the

matter discussed about the beginning of December between the Prime Minister, the Minister of Labour and other members of the cabinet, and the Premier of Ontario, regarding the trans-Canada highway? It is a matter of vital importance to us in Ontario, and I feel that a decision should certainly be made soon.

Mr. POWER: Has the minister in his department a system of departmental audit of relief expenditures?

Mr. GORDON: There is no labour department audit as such. Relief expenditures are checked over with respect to the proposals that have been submitted and accepted. With respect to moneys granted or allowed by this government to a province for specific purposes, either under order in council or under the terms of an agreement, audits are made by the auditor general. From time to time situations are disclosed where, mainly through misconstruction of the regulations or misinterpretation of the agreement by the province or municipality, moneys have been misapplied. As those items come to light—some of them through voluntary notification by the provinces, or disclosed by the labour department, or in the reports of the auditor general—the Labour department has experienced little or no difficulty in getting adjustments or refunds made from the various provinces. But a field audit is not made by the Labour department; rather we rely upon the certificate of the provincial auditors as to the correctness of an account and the proper allocation of sums towards which we have contributed. As I say, when such misinterpretations have come to light, we have had little difficulty in arranging refunds, and very large refunds have been made by the provinces to the dominion. Particulars of them I have not before me at the moment.

Mr. POWER: Have any of these disclosures mentioned by the minister, where payments have been improperly made owing to misconstruction of the statute or misinterpretation, come to light owing to the activities of the Labour department or the unemployment branch, or have they all come to light through the audits of the auditor general?

Mr. GORDON: I think I am correct in stating that the major portion of the refunds received have been as a result of checking in the Labour department. I regret that, not having anticipated this discussion on an item such as that now before the committee, I cannot give the figures, but I shall be glad to give them later. However a considerable sum has also been refunded by the provinces by reason of audits made by the auditor general.

Mr. POWER: I have heard complaints that as the audits of the auditor general come in many cases months after the money has been expended, by the time a request for rebate comes nearly all trace of the particular expenditure has disappeared. It has been stated to me that the Department of Labour has a system of audit but that it is not made known to the other party to the agreement, such as the municipality or the province, until such time as the auditor general happens to strike a particular abuse or error or misconception. That causes a great deal of inconvenience, whereas if the department had been more on the job, so to speak, and had followed the work more closely it could have pointed out to the other parties concerned just where the error lay, which would have avoided a great deal of trouble and delay. That is why I ask the minister just to what extent and how closely the accounts are audited by his own department rather than by the auditor general.

Mr. GORDON: I do not know that at the moment I can add much to what I have said already with respect to the checking and auditing of accounts. The procedure followed since 1930 follows the procedure that was adopted in 1922 when the dominion government made similar but very much smaller contributions to the provinces, which in turn disbursed the money to the municipalities, with the exception that the certificates required are very much more in detail. I am not offering this observation as a criticism of what happened in 1922; I am merely saying that, in view of the more serious situation with which the federal government has been confronted, it was thought advisable that we should be perhaps a little stricter than they were in those days. We relied largely upon the certificates of the provincial auditors for the correctness of the expenditures and the disposition of the moneys that we supplied the provinces. I do not know what other system could have been followed. I assume that the provinces in turn largely relied upon the auditors of the various municipalities. It may be said that this was not the proper way to audit accounts of this kind, but what other method could be employed when relief was being granted

throughout Canada, trickling right back into the smallest settlements? Could any other machinery be set up and be justified with respect to the expense that would be entailed, other than the machinery already in existence, which consisted of first the municipal officers and second the provinces, who had contact with the municipalities and who would be in a better position than anyone else to place the necessary restraint and check upon the expenditures? I frankly confess that I do not know how it could have been done otherwise, how any machinery could have been set up that would not result in a huge administrative expense that would be entirely unjustifiable. It is true that, as the hon. member for Quebec South has intimated, there has been carelessness or perhaps lack of business ability shown here and there; no doubt there was also cupidity or some other human weakness which would make people forget that their fellow taxpayers were carrying a heavy burden; but in the main I believe I am stating the fact when I say there has been very little money lost through unwholesome activities such as I have mentioned. I believe in many instances the provinces have brought to light cases where the municipalities have not spent the money according to regulation, and rebates have been made. That is going on constantly. I would not say for a moment that there have not been losses in the last four years; of course there have been. It could not be otherwise.

Mr. POWER: May I ask if an audit will be necessary in future with the new system of lump sum payments? Will the federal government still insist on an audit being made?

Mr. GORDON: The lump sum is stated to be a grant in aid for relief purposes, and it is left within the discretion of each province to use the money where it is most needed. At the moment I am not prepared to say that there has been an instance that has come within the notice of the department where any of the money we have granted has been misapplied by any province. I do not think there will be such an instance.

Mr. POWER: In this case this is a lump sum payment, a grant in aid?

Mr. GORDON: Exactly.

Mr. POWER: As I understand it that is the system under which we are now proceeding. Will the federal government or the Department of Labour follow up these grants and see how and where the money voted by the federal parliament is being expended, or will it not?

Mr. GORDON: Undoubtedly the auditor will ask and receive from each province a report as to how and where the money has been distributed.

Mr. POWER: Will those reports be made available to parliament?

Mr. GORDON: Quite. I suggest that this item stand, and perhaps at a later day I can furnish in greater detail the information that has been requested.

Item stands.

RAILWAYS AND CANALS

Printing and Stationery, $5,000.

Mr. MANION: This is merely the revolving item for stationery. I do not ask that the item go through; I merely wish to get my department in, and if the committee is satisfied I will move that the item stand.

Item stands.

MINES

Salaries, $485,910; contingencies, $20,000.

Mr. MACKENZIE (Vancouver): I am not sure whether this is the right item, but I should like to ask the minister how much the government has received from the gold tax we imposed last year.

Mr. GORDON: The Department of Mines has no record of the amount of the gold tax. That will have to be obtained from the Department of Finance. If there is to be any discussion I suggest that the item stand.

Item stands.

Mr. DURANLEAU: Item No.—

Mr. LAPOINTE: Mr. Chairman, I do not like to be unpleasant, but I do not think it is proper to enter into all the departments to-night. I did not object when the Minister of Railways called one of his items. Yesterday however the Prime Minister announced that he would like to take up mines, pensions and national health. Railways and Canals was not mentioned, but I did not raise any objection.

Mr. MANION: Quite correct.

Mr. LAPOINTE: I do raise an objection, however, so far as marine is concerned.

Mr. RHODES: Perhaps the hon. member for Quebec East would permit me to state that the Prime Minister mentioned the Department of Pensions and National Health, but he had not in mind the fact that that department had already been opened. In the circumstances we thought the committee might substitute another department.

Mr. LAPOINTE: And we took railways instead.

Mr. RHODES: quite so.

Mr. LAPOINTE: I think that is sufficient.

Mr. DURANLEAU: It does not matter to me.

Progress reported.

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

Wednesday, February 20, 1935

The house met at three o'clock.

QUESTIONS

(Questions answered orally are indicated by an asterisk.)

CANADIAN GOVERNMENT STEAMERS—HOURS OF LABOUR

Mr. POWER:

1. Are there any regulations regarding maximum hours of labour in effect in connection with the work of members of the crew of government vessels such as the C.G.S. Saurel and the C.G.S. Mikula?

2. If so, where are these regulations to be found?

3. What is the maximum hours that members of the crew of the C.G.S. Mikula are obliged to work per day?

Mr. DURANLEAU:

1. There are no regulations regarding maximum hours of labour in connection with the crews of the C.G.S. "Saurel" and the C. G.S. "Mikula".

2. Answered by No. 1.

3. The crew of this vessel maintains regular sea watches (which are uniform in all services) both when on stand by alongside the wharf and when operating in the river. Deck officers, engineers, oilers, firemen and trimmers are on the customary three watch system, i.e., 4 hours on duty and 8 hours off duty—seamen 4 hours on duty and 4 hours off. When on day work, alongside the wharf, the hours are from 8.00 a.m. to 5.00 p.m., with one hour for dinner.

CANADIAN GOVERNMENT STEAMERS—DRINKING WATER

Mr. POWER:

1. Are there any rules or regulations in effect to provide that the drinking water furnished to members of the crew on Canadian government steamers should be subject to medical and sanitary inspection?

2. If so, what are these regulations?

3. Is water taken from the River St. Charles near Quebec considered by the health authorities to be fit for human consumption?

Mr. DURANLEAU:

1. Yes.

2. Regulations concerning water for drinking and culinary purposes on common carriers engaged in international and interprovincial traffic. Approved by order in council of 25th February, 1930, (P.C. 417).

Regulations concerning water for drinking and culinary purposes on vessels navigating on the great lakes and inland waters. Approved by order in council, 19th June, 1923, (P.C. 1091).

These have been passed in virtue of section 9, subsection (d), part II—An act respecting the Department of Pensions and National Health, (chap. 39 of the Statutes of 1928).

3. No.

L'ILE-AUX-GRUES SIGNAL SERVICE

Mr. FAFARD:

1. Who is the night watchman for the signal service at l'Ile-aux-Grues, in the county of Montmagny, Quebec?

2. Is this employee in receipt of a salary during the winter months?

Mr. DURANLEAU:

1. There is no night watchman. Mr. Joseph Dancause is the night signal agent and Semaphore operator at l'Ile-aux-Grues.

2. Mr. Dancause is in receipt of a salary during the winter months.

FREIGHT RATES ON GRAIN

Mr. COOTE:

1. What is the existing freight rate on grain for export from Georgian bay ports to Saint John and Halifax?

2. What is the approximate mileage from Georgian bay ports to: (a) Saint John; (b) Halifax?

3. What is the freight rate on grain for export from Calgary to Vancouver?

4. What is the mileage from Calgary to Vancouver?

5. What is the freight rate on grain for domestic use from Calgary to Vancouver?

Mr. MANION:

1.

Commodity	Rate in cents per 100 pounds
Barley and buckwheat	10·24
Corn and rye	8·45
Oats	9·79
Wheat	8·33

Rates expire March 31, 1935, unless sooner cancelled, changed, or extended.

2.

From	To Saint John, N.B. C.N.R. miles	To Saint John, N.B. C.P.R. miles	To Halifax, N.S. C.N.R. miles
Collingwood, Ont.	1035	....	1203
Depot Harbour, Ont.	1004	....	1173
Goderich, Ont.	1099	941	1267
Midland, Ont.	1012	840	1181
Owen Sound, Ont.	1129	927	1297
Port McNicoll, Ont.	....	836	....
Tiffin, Ont.	1011	701	1179

3. Twenty cents per 100 pounds.

4. 642 miles via Canadian Pacific Railway.

5. On wheat graded Nos. 4, 5, 6 and feed; on barley graded Nos. 3, 4, 5 and 6 C.W.; on oats graded Nos. 1, 2 and 3 feed, extra No. 1 feed, special feed and mixed feed; on screenings graded Nos. 1 and 2, feed screenings when used for feeding livestock or poultry, 30 cents per 100 pounds; on other grains 41½ cents per 100 pounds.

NEW GLASGOW, N.S., TOWN CLOCK

Mr. ILSLEY:

1. Has any sum been appropriated for the erection of a town clock in the town of New Glasgow under the special appropriation for public works voted in 1934?

2. If so, has the erection of said clock been arranged for?

3. Who were the contractors therefor?

4. What is the price to be paid for the clock?

Mr. STEWART (Leeds):

1. The installation of a gable clock in the public building has been authorized.

2. Yes.

3. J. A. Hiltz, New Glasgow.

4. $1,450 which includes a one-dial electric clock, a master clock and striking connection to bell on roof.

WOLFVILLE, N.S., POST OFFICE

Mr. ILSLEY:

1. What was the amount expended in repairs to the post office building at Wolfville, Nova Scotia, during 1934?

2. Were tenders called for the work?

3. If so, who were the tenderers and what was the amount of each tender?

4. If tenders were called for different classes of work, who were the tenderers and what was the amount of each tender?

5. If work was not done under tender and contract, who was the foreman in charge of the work?

Mr. STEWART (Leeds):

1. $2,045.

2. Tenders called for general repairs and painting.

3. General repairs: A. M. Wheaton, $1,200; S. L. Murphy, $1,400. Painting: A. M. Wheaton, $750; W. B. Murphy, $830.

4. Answered by No. 3.

5. Work not under tender consisted of repairs to heating system $45, and installing a radiator in customs long room $50. This work was done under the supervision of the district resident architect and the caretaker of the building.

PHILATELIC AGENCY

Mr. MULOCK:

1. Does the Post Office Department maintain and operate a philatelic agency at Ottawa?

2. If so, what was the cost of operating the said agency in each of the fiscal years, 1931 to 1934 inclusive?

3. What was the total revenue derived from the philatelic agency during each of the years, 1931 to 1934 inclusive?

4. Does the philatelic agency sell used Canadian postage stamps to the public?

Mr. SAUVE:

1. Yes.

2. Prior to September 13, 1932, the work was done by employees who were also engaged in other duties, and no separate record of salary cost was kept.

September 13, 1932, to March 31, 1933, $5,007.64; April 1, 1933, to March 31, 1934, $9,828.

3. Fiscal year 1930-31, $42,269.65; 1931-32, $38,891.83; 1932-33, $56,250.60; 1933-34, $54,813.31.

4. The Post Office Department does not as a matter of general practice sell used postage stamps, but occasional spare time of employees is utilized in salvaging a small proportion of cancelled stamps reaching the department through official channels and these are disposed of in limited quantities, when available, to individual applicants.

CANADIAN FARM LOAN ACT

Mr. HANSON (Skeena):

1. What is the amount outstanding in dollars and cents, in connection with loans granted under the Canadian Farm Loan Act, in British Columbia, as at January 31, 1935?

2. How many individual loans were granted: (a) what is the maximum amount; (b) what is the minimum amount?

3. What are the names, addresses, positions and salaries, of the present officials connected with the said act in British Columbia?

Mr. RHODES:

1. As at March 31, 1934 (later figures not available), $1,322,537.

2. 497; (a) $10,000; (b) $400.

3. George Sangster, Victoria—provincial superintendent and member of Provincial board—salary $3,420 per annum. H. E. Tanner, Saanich, and Walter Paterson, Gordon Head, members of provincial board, $10 per day each when engaged in the business of the board, plus travelling and living expenses, with a minimum remuneration of $250 per annum. W. S. Palmer, Victoria, appraiser, salary $1,890 per annum. Miss M. Pearcy, Victoria, stenographer, salary $1,026 per annum.

In submitting the answer to this question I would observe that the practice in the past has been that information of a detailed nature in respect of the salaries of those in the employ of boards set up under the government has not as a general policy been given. However, in this particular instance I cannot see any objection, in the public interest, to the information sought for being given. At the same time I thought it well to indicate what has been the practice and to point out that it should not be construed as a precedent for general information of this character being given.

Mr. STEWART (Edmonton): I hope the minister will not construe that to be in effect when he takes full control of the farm loan board—when the government of Canada will have full control of all officials.

Mr. RHODES: We can cross that bridge when we come to it.

DIONNE QUINTUPLETS *

Mr. FERLAND:

1. Has the federal government contributed to the organization and upkeep of an hospital for the Dionne quintuplets?

2. If so, what was the sum paid by the government?

3. Is it the intention of the government to institute a system of family allocations for large families?

Mr. SUTHERLAND: I might answer this question orally. The answer to the first inquiry is no; to the second, answered by No. 1; to the third, the intention of the government will be made known if and when a policy is announced.

QUESTIONS PASSED AS ORDERS FOR RETURNS

COULOMBE, QUE., POST OFFICE

Mr. POULIOT:

1. What is the name of the postmistress at Coulombe, Dorchester county?

2. When was she appointed?

3. Who recommended her to the department?

4. Is she a married woman?

5. If so: (a) what is her husband's name; (b) is he a British subject by birth or by naturalization; (c) in the first case, where and when was he born; (d) in the second case, at what date was his certificate of naturalization published in the Canada Gazette?

Mr. CAHAN: Return tabled herewith.

NATIONAL PARKS

Mr. CHURCH:

1. Have any representations been received by the government to give the province of Ontario a national park in the Muskoka, Lake of Bays, Georgian bay district?

2. Have any surveys been undertaken by the government with this end in view?

3. In what provinces of Canada have federal parks been established to date, and where are they located?

4. Will the new federal tourist bureau or national railways cooperate in encouraging the national development of these districts?

SUGAR FACTORIES

Mr. GERSHAW:

1. What was the total capital investment of sugar factories in Canada in 1932, 1933, and 1934?

2. What was the amount of sugar produced from beets during 1932, 1933, and 1934?

3. Has the government taken any steps to carry out the recommendations of the agricultural committee submitted in April, 1932, regarding the increasing of the facilities for manufacturing beet sugar?

MARKETING ACT

Mr. MacLEAN:

1. Under the scheme adopted in the various provinces for the marketing of potatoes, in connection with the Natural Products Marketing Act of 1934, what are the names of the officials of that board for the provinces of Nova Scotia, New Brunswick, and Prince Edward Island?

2. What are the duties of these officials: (a) are they members of the central board in Ottawa; (b) what salary are they receiving in their official capacity?

3. What salary or remuneration, if any, did the parties receive who held meetings throughout Nova Scotia, New Brunswick, and Prince Edward Island, under the Natural Products Marketing Act of 1934, and reporting same to the minister in charge of said act at Ottawa?

4. What are the names and addresses of each person engaged in this work of organization and the amount paid to each, including travelling expenses, hotel, office, and all other expenses in connection with the work?

5. How is the money procured to pay the expenses for the operation of the board and its officials in each of the provinces named above?

6. How were the men engaged in connection with this work selected in the first place and upon whose recommendation were they appointed?

7. Can the local boards in each province carry on export and interprovincial trade independent of and without consultation or permission of the central board at Ottawa?

8. Was the vote or poll of all the growers, taken before the board began operations?

9. If not, will there be a vote taken, and when?

FLAX PRODUCTION

Mr. CARMICHAEL:

1. What was the total production of flax: (a) in Saskatchewan in 1934; (b) in Canada in 1934?

2. What was the total flax importation into Canada during 1934 from: (a) Argentina; (b) United States; (c) all other countries?

3. What was the total flax importation into Canada during the month of January, 1935, from: (a) Argentina; (b) United States; (c) all other countries?

4. What rate of duty per bushel is collected on flax importations?

5. What duty was collected on the: (a) 1934 importations of flax; (b) month of January, 1935, importations of flax?

MOTIONS FOR PAPERS

PUBLIC WORKS ESTIMATES

Mr. CASGRAIN:

For a copy of all papers, correspondence, telegrams, and other documents, in the possession of the Department of Public Works, with reference to the construction of a public building at Ste. Anne de Beaupré, in the county of Montmorency, to the extent of $25,000 as mentioned in the estimates for the fiscal year ending March 31, 1936.

For a copy of all papers, correspondence, telegrams, and other documents, in the possession of the Department of Public Works, with reference to the repairs to be done at the wharf at Baie des Rochers, in the county of Saguenay, to the extent of $5,500 as mentioned in the estimates for the fiscal year ending March 31, 1936.

For a copy of all papers, correspondence, telegrams, and other documents, in the possession of the Department of Public Works, with reference to the extension of the protection wall at Baie St. Paul (Rivière du Gouffre), in the county of Charlevoix, to the extent of $8,800 as mentioned in the estimates for the fiscal year ending March 31, 1936.

For a copy of all papers, correspondence, telegrams, and other documents, in the possession of the Department of Public Works, with reference to the wharf extension at Manicouagan, on the north shore of the River St. Lawrence, to the extent of $100,000 as mentioned in the estimates for the fiscal year ending March 31, 1936.

For a copy of all papers, correspondence, telegrams, and other documents, in the possession of the Department of Public Works, with reference to the wharf extension at La Malbaie (St. Etienne), in the county of Charlevoix, to the extent of $39,000 as mentioned in the estimates for the fiscal year ending March 31, 1936.

For a copy of all papers, correspondence, telegrams, and other documents, in the possession of the Department of Public Works, with reference to the reconstruction of the wharf at Hâvre St. Pierre, on the north shore of the River St. Lawrence, to the extent of $75,000 as mentioned in the estimates for the fiscal year ending March 31, 1936.

Sir GEORGE PERLEY: As regards Nos. 1 to 6 inclusive of these motions, the question was brought up the other day in the absence of the hon. member. The motions refer to items in the estimates of this year which have not yet been voted and I submit that it is not in accordance with the custom to bring down papers regarding estimates to be discussed in the house this session. The hon. member can ask questions when the estimates are before the house.

Mr. CASGRAIN: I put these motions on the order paper in view of the fact that these estimates will come up for consideration. In order to be in a position to discuss the estimates on their merits, it is necessary to have the information I ask for. I am not asking anything out of the ordinary routine of business; I am just asking for correspondence, documents and letters exchanged with regard to the matters affected. If the papers are not in my possession it may take a longer

time to discuss the estimates of the Minister of Public Works when they come up and I shall be obliged to ask him to produce the documents. I shall be within my right in asking him.

Sir GEORGE PERLEY: It has not been the custom to bring down papers in this house regarding estimates which have not yet even been discussed.

Mr. CASGRAIN: I serve notice on the Minister of Public Works that when the estimates come up I should like to have all these papers.

Mr. STEWART (Leeds): All right.

Mr. SPEAKER: Nos. 1 to 6 dropped.

CHARLEVOIX-SAGUENAY PUBLIC WORKS

Mr. CASGRAIN:

For a copy of all paylists and accounts for materials in connection with work done by the Department of Public Works in the county of Charlevoix-Saguenay during the years 1933 and 1934.

Mr. STEWART (Leeds): I wish to point out to my hon. friend that to comply literally with this motion would involve weeks of the time of stenographers. I have made inquiry and in the hon. member's constituency there are more than sixty different works to which this question relates. He is asking for the most complete and detailed information in regard to pay lists, etcetera, in connection with each and every one of those works. In view of the very large number of returns that are asked for, I suggest that my hon. friend if possible limit the scope of this motion, and if he desires details respecting any particular work, we shall be very glad to give him all information available. But I point out to him, as I think he will agree, that this motion involves a very large amount of work which will take a good deal of time and possibly the return might not be ready in time. I suggest that he let the motion stand and endeavour to reduce its scope.

Mr. CASGRAIN: I introduced this motion because last year, the year before and even this year other motions along the same line were passed and at the time no exception was taken to them by the Minister of Public Works or the Prime Minister. There may be sixty constituencies where works were constructed, but in my constituency in 1933 and 1934 there were not many.

Mr. STEWART (Leeds): I say that there were sixty works in my hon. friend's constituency.

Mr. SPEAKER: Possibly the motion might be allowed to stand until the hon. member consults with the minister.

Mr. CASGRAIN: Would the minister allow me to examine all these records in his department if I go there?

Mr. STEWART (Leeds): I suggest that my hon. friend endeavour to limit the motion to any particular work in which he is interested.

Mr. CASGRAIN: It is interesting to know all the works and how all have been carried out.

Motion stands.

CANADIAN NATIONAL RAILWAYS—AUDITORS' REPORT

Mr. EULER:

For a copy of the report submitted by George A. Touche & Company, auditors of Canadian National Railways, amplifying and explaining the recommendation of said auditors in their report of 1934 for the writing off of one billion dollars or more of the capital indebtedness of the Canadian National Railways.

Mr. MANION: May I just inform the hon. gentleman and hon. members generally that I have asked the auditors to send me twenty-five copies of this report for the members of the committee. One copy will be tabled and members of the special railway committee of last year will get the others.

Motion agreed to.

CHARLEVOIX-SAGUENAY PUBLIC WORKS

Mr. CASGRAIN:

For a statement showing the damages caused to certain wharves and breakwaters under the control of the Department of Public Works, during the month of December, 1934, in the county of Charlevoix-Saguenay. Also a statement showing what repairs have been authorized and to what extent.

Mr. CASGRAIN:

For a statement showing the expenditure authorized in the county of Chalevoix-Saguenay during the year 1934-35: (a) in the regular estimates; (b) under the Public Works Construction Act, 1934; showing the individual items and the nature of the work in each case.

CHARLEVOIX-SAGUENAY POST OFFICE SERVICE

Mr. CASGRAIN:

For a statement showing, (1) the mail contracts awarded in the county of Charlevoix-Saguenay by the Postmaster General during 1934-35, (a) without tender; (b) by tender; (c) contracts renewed, the names of contractors and amounts in each case; (2) the new post offices opened, new postmasters appointed, on whose recommendation in each case, the names of postmasters removed, for what reason, in the county of Charlevoix-Saguenay, during the year 1934-35.

GRONDINES STATION, QUE., POSTMASTERSHIP

Mr. DESROCHERS:

For a copy of all letters, correspondence, and other documents, exchanged during the year 1934, in connection with the dismissal of the postmaster at Grondines station.

GRONDINES, QUE., LIGHTHOUSE KEEPER

Mr. DESROCHERS:

For a copy of all documents, telegrams and correspondence, exchanged during the year 1934, in connection with the change of lighthouse keeper at Grondines, Portneuf county.

GEORGES HENRI LAVOIE

Mr. ROBERGE:

For a copy of all telegrams, letters, correspondence, reports and other documents, exchanged during 1931 and 1932, in connection with the dismissal of Georges Henri Lavoie as harbourmaster at Baie des Ha! Ha!

JOSEPH C. LEVESQUE

Mr. CASGRAIN:

For a copy of all correspondence, letters, telegrams and other documents, in the hands of the Post-Office Department, in connection with the appointment and dismissal of Mr. Joseph C. Lévesque, former postmaster at Bagotville, during 1932; also the report of the post office inspector for Quebec, pertaining to the dismissal of Mr. Lévesque.

FISHING INDUSTRY

PROPOSED REDUCTION IN CUSTOMS DUTIES ON INSTRUMENTS OF PRODUCTION

Mr. WILLIAM DUFF (Antigonish-Guysborough) moved:

That, in the opinion of this house, the best interests of Canada demand that the burden of customs taxation be lessened on the instruments of production in the fishing industry, and to this end all articles required in said industry be free from customs duties.

He said: Mr. Speaker, this is in my opinion one of the most important motions that have come before parliament for many years. It purports to deal with a matter affecting one of the greatest natural industries in Canada, an industry which perhaps has been more neglected than any other. For that reason I have no apology to make to the house or to the country for taking a few moments to lay certain matters in connection with this resolution before the government and the house generally. A few days ago the hon. member for West Edmonton (Mr. Stewart) moved a similar resolution with regard to agricultural implements, asking this house to express the opinion that it is in the best interests of the agricultural industry that customs duties should be taken off the instruments required in that great industry. My resolution asks that the burden of customs taxation be lessened on the instruments of production in the fishing industry. The Minister of Finance (Mr. Rhodes) expressed regret that the motion of the hon. member for West Edmonton was moved; he said that while it might be "good party politics" he did not consider it "good national politics." Now, sir, I regret that the finance minister made that statement, because while he, the hon. member for West Edmonton, myself and other hon. members belong to different political parties and while on some occasions we may be termed partisans, yet I think we all come here, being the chosen representatives of the people, to serve not only our own constituency but Canada as a whole. Sir, I mention this because I think perhaps the Minister of Finance on mature consideration will agree with me that a matter of this kind, whether brought up by the hon. member for West Edmonton or by myself, is not a matter of party politics but of national concern, one which we at least consider to be in the interests of the people of this country.

The Minister of Finance in his reply referred also to the fact that negotiations were going on between this country and the United States of America to develop a reciprocal trade arrangement. I do not think I need at this stage dwell long on the fact that for a great many years, not only the thirty or forty years that I have been taking some interest in the public life of this country, but ever since I reached an age of maturity—

Mr. HACKETT: When was that?

Mr. DUFF: I can understand the hon. member for Stanstead (Mr. Hackett) asking such a question; children and some other people do ask questions of that sort.

Mr. HACKETT: Oh, you can do better than that.

Mr. DUFF: I admit I have a good deal to learn from the hon. member for Stanstead and other hon. members, but as far as my fiscal views are concerned I have no apology to make either for introducing this resolution or as to what I have stood for during my public and business life in this country. I have always been in favour of a better trade arrangement with the nation to the south, and therefore I have no regrets for having brought in this resolution, nor do I agree with the Minister of Finance that it might affect the negotiations which are in progress between the leaders of thought in this country, President Roosevelt and his cabinet. I think

my attitude a few days ago, when I had a motion on the order paper with regard to a reciprocal trade arrangement with the United States, which, generously, may I say, I withdrew after I found that this government was entering into negotiations with that country, shows that I am not open to the accusation of embarrassing either this government or the government of the United States. To use the words of several statesmen in this country, which have been bandied back and forth across the floor of this house, I do not wish to provoke the United States. I remember that the hon. Minister of Railways (Mr. Manion) in my younger days, perhaps after I had achieved the years of maturity referred to by the hon. member for Stanstead, gloatingly referred to a remark made by the leader of the opposition (Mr. Mackenzie King) that he did not wish to provoke the United States. Well, sir, history has a fashion of repeating itself. There is an old saying that birds come home to roost. It is rather strange that in this year of our Lord 1935 we have hon. members on the other side holding up their hands in holy horror and begging us not to do anything to provoke our neighbours to the south. If those negotiations do not reach what I and others of the same views would consider the acme of perfection in regard to a reciprocal trade arrangement, I do not want to be accused of putting any stumbling block in their way. Consequently, sir, I am willing to do any kind of penance in order to bring about a proper trade arrangement with the United States of America relating to certain natural products of this country.

Reading the newspaper on Monday last I was pleased indeed to see the report, which I hope is correct, of a speech made by the Prime Minister in New York last Saturday night. The utopian ideas expressed in that speech gladdened my heart. But after I came to consider them I wondered whether they were utopian ideas or Ethiopian. I wondered whether the Ethiopian could change his skin, or the leopard his spots, or the politically ungodly man change his ways. I remember, sir, that in the years from 1911 to last year the Prime Minister of this country, whenever the matter of better trade relations between Canada and the United States came up, always opposed it. Of course I believe that while the lamp holds out to burn the guilty sinner may return, and I welcome his accession to the Duff Reciprocity Club of Canada. I remember, sir, in 1911 when perhaps the hon. member for Stanstead had not reached years of maturity, the late Mr. Fielding and Mr. Paterson had come back from the United States with reciprocity agreements applauded by both sides of this house, it was afterwards said by the late Sir George Foster that he did not wish any truck or trade with the Yankees, and I remember that eminent exponent of western ideas, the present Prime Minister, going up and down western Canada saying that if we accepted reciprocity "we would become the back door of Chicago."

Mr. LAPOINTE: He entered parliament by it.

An hon. MEMBER: Hear, hear.

Mr. DUFF: I heard someone say "hear, hear." Perhaps it is a good thing the Prime Minister is not in his place; he might have some difficulty with the members sitting behind him due to the fact that some years ago, in his youth, the Prime Minister made the statement that he did not want Canada to be the back-door of Chicago.

It was only last year that I introduced my resolution on reciprocity, a resolution which you will remember was introduced also in 1933. If hon. members, especially those on the other side, will look at Hansard for last year at pages 73 and 74 they will see what the Prime Minister said at that time. No doubt you, sir, will remember that the Prime Minister asked us on this side whether we wanted reciprocity in hogs, in cattle, in butter and in eggs, and he went on to try to prove to us that a reciprocal trade arrangement with the United States was not necessary because at that particular moment the prices of hogs, butter and eggs were perhaps as high in Canada as they were in the United States. I am wondering what has come over the Prime Minister in the last few months. In a speech delivered a few days ago he said that he has been in a position to arrange for a conference with the United States government in order to discuss this matter for only a short time, because President Roosevelt only received his power from congress in May, 1934. But let me say, sir, that it is a well known fact—and I do not think I am giving away any political secrets—that even before President Roosevelt was sworn in his liberal government sent a delegate, an emissary or an ambassador to this country in order to approach this government in regard to this very important matter. That was in December of 1932. So while I welcome all converts to the faith, I cannot understand why the Prime Minister and his government, especially my good friend the Minister of Finance (Mr. Rhodes), now should be so afraid that if I discuss this resolution or if the hon. member for West Edmonton (Mr. Stewart) discusses the question of lowering

the tariff—which I have favoured all my life —this will interfere in any way with the negotiations between Canada and the United States which are likely to take place within the next few weeks.

After the Prime Minister made his speech last year, in which he practically said that reciprocity was not necessary, the hon. member for South Huron (Mr. Golding) referred to the fact that in 1930 this country had sold $15,000,000 worth of cattle to the United States, and I think we can all agree with the Prime Minister who now admits that one of our great markets is the United States of America. A few days ago the Minister of Finance deprecated the fact that the hon. member for West Edmonton had brought in his resolution. May I say to my hon. friend that if the resolutions brought in by the hon. member for West Edmonton and myself, asking for lower tariffs, might affect any reciprocal trade arrangement or understanding between the two countries, does not the minister think he should have disciplined the hon. member for Toronto-Scarborough (Mr. Harris) when he brought in a resolution with regard to the Ottawa trade agreements? I can tell my hon. friend that one of the things he is going to be up against when he goes to Washington next month, or whenever he does go—and no one is more qualified to discuss these matters with the President of the United States and his cabinet than is my hon. friend—is this very question of the Ottawa agreements. My hon. friend will not be faced with my resolution, because President Roosevelt knows that the Liberal party, and especially myself, always have been in favour of lower tariffs.

Some hon. MEMBERS: Oh, oh.

Mr. DUFF: The minister will be faced with the resolution introduced by the hon. member for Toronto-Scarborough, because nothing that has happened in the last number of years has so strained the relations between this country and the United States than have the Ottawa agreements.

The resolution moved by the hon. member for West Edmonton dealt particularly with the duties on agricultural implements. Perhaps the Minister of Finance was quite right when he said to the hon. gentleman that in view of the fact that we import a large volume of agricultural implements from the United States it might be as well if his resolution did not pass. But, sir, my resolution deals with a number of items, not only those which come—and should come in larger volume—from the United States, but also those items needed by the fishermen which are brought from other countries of the world. Consequently my hon. friend cannot accuse me of hindering any reciprocal trade arrangement with the United States, since many of the articles to which I refer, and which the fishermen must use every day, come from Greece, Italy and other European countries as well as from Great Britain.

I should like to give my hon. friend a list of the articles coming from countries other than the United States; I have not time to do so but I want to refer particularly to one item. The fisherman must have certain articles with which to build his boats and fit up his gear, but in addition these vessels must carry certain articles of food when they go to the fishing grounds, and before my hon. friend brings down his budget I should like to show him what an intricate thing the tariff policy of this government has become. In fitting out for the fisheries, either deep sea or shore, a fisherman must secure certain kinds of provisions. Among these provisions is salt beef, which must be carried by every fishing vessel. I do not know whether or not the hon. member for Toronto-Scarborough was so anxious to support the government in connection with the empire trade agreements for this particular reason, but nevertheless this is a very important item of food which must be carried by the fishing vessels. This salt beef comes either in 200 pound barrels or 100 pound half barrels. It is true that this beef is packed in Canada; it is also true that salt beef coming from the United States has to pay certain duties and taxation of other kinds. I regret to say that for some reason or other the fishermen prefer the United States brand of beef to the Canadian brand. I hold in my hand a statement from the manager of one of the outfitting and ship chandlery firms in which I am interested, protesting very strongly against the duties and taxes he has to pay on beef brought to this country for the fishermen.

I should not be surprised if the Minister of Finance and other members of parliament reply, "Yes, but beef, pork, lard, kerosene oil and some other articles can be purchased by the fishermen out of bond and consequently free of duty." That is true in connection with vessels of more than 50 tons, but the great majority of the fishermen who use beef sail in vessels of less than that tonnage. I am sure this will be a surprise to the Minister of Finance; I could not believe it myself, when I got it. The figures before me show what it costs to import a barrel of beef for fishing purposes into this country. The value

on beef, made up for duty purposes, on one barrel weighing 200 pounds is as follows:

200 pounds at 24 cents.. .. .. ..$48 00		
Less $1.80 value for barrels.. .. 1 80		
	$46 20	
Value of one barrel beef for duty (nearest dollar)..		$46 00
Duty on 200 barrels beef at 6 cents	12 00	
Excise tax, 3 per cent on value of beef and duty, $46 plus $12 ($58)	1 74	
Value of barrel for duty $2, duty on barrel 25 per cent..	0 50	
Sales tax, 6 per cent on value and duty ($2 plus 0.50), $2.50.. ..	0 15	
Excise tax, 3 per cent on $2.50..	0 08	
50 per cent special duty on total value beef $46; barrel $2 ($48).	24 00	
		$38 47

Hon. members will note that on a barrel of beef valued at $46 the duty and other taxes amount to $38.47. I admit I was surprised, and I have no doubt the Minister of Finance will be. I could hardly believe my eyes when the manager of the company in question handed me the statement. A day or two later he produced to me the customs entry form. This paper purports to be a customs entry of the goods out of warehouse, and is headed "Customs, Canada—entry for warehouse", from the port of La Have, Nova Scotia, and dated August 24, 1934. It is a follows:

Number of packages	Description of goods	Quantity	Invoice value in currency of invoice	Value for duty in dollars	Rate of duty or free	Total customs duty	Duty paidvalue	Sales tax 6%	Rate of excise tax	Excise tax	Tariff applied
10	Bbls. pickled beef	2,000	462	462	6c.	120 00	582 00	.....	3%	17 46	General
	Total lbs. value, $480.										
	Barrels	10	18	18	25%	4 50	22 50	1 35	3%	0 68	
	Special duty, 50%	.....	.....	480	.....	240 00	.....	.....	.....	.....	
1	Bbl. pickled pork	200	1,325	13	5c.	10 00	23 00	.....	3%	0 69	
	Barrel	1	200	2	25%	0 50	2 50	0 15	3%	0 08	
		.....	.....	495	.....	375 00	630 00	1 50	.....	18 91	

This customs entry will indicate a total tax amounting to $395.41, made up of a customs duty of $375; a sales tax of $1.50 and an excise tax of $18.91.

If these figures are accurate—and I presume they are, because I have the customs entry before me—then it seems to me, in the interests of the fishermen, I am justified in protesting against the tariffs and the other imposts which they have to pay not only on the food supplies for their vessels, when they go out to the fishing grounds, but on a list of other items which would require fifteen minutes of the time of this house for me to enumerate. If this great industry is to be encouraged the government, and particularly the Minister of Finance when he brings down his budget must see that the fishermen are relieved from this excessive burden of taxation so that they may be in a better position successfully to prosecute their great industry.

For these reasons I have no apology for introducing this resolution, and I hope the minister will believe me when I say that in my action I have had no intention to embarrass him as Minister of Finance, or to embarrass the government in connection with their ordinary duties or any reciprocal trade arrangement they may make—and which I hope they will make—with the United States. May I repeat before taking my seat that there is no man in Canada who has felt more strongly than myself that these tariff barriers between the United States and Canada should not exist. Thousands of our Canadian people hold the same view. I am not flapping the flag, as the hon. member for Toronto-Scarborough (Mr. Harris) did the other day. I am not flaunting two flags, the union jack and the flag of Australia as he did. But so far as the trade of Canada is concerned, while I do not believe in flag flapping or wearing my loyalty on my sleeve, yet I must say to the Minister of Finance, to parliament and to the country that Canada will never come into her own until so far as tariffs and trade matters are concerned the union jack and the flag of the United States are entwined, and a proper reciprocal trade arrangement made between that country and this.

My last word to the government and to the Minister of Finance, who may be one of the Canadian delegates arranging a trade agreement would be that we do not want any half-measures, so far as reciprocal trade arrangements with the United States are concerned. The Prime Minister said that we could do nothing until last May, at which time the President of the United States obtained authority from congress to reduce the duties by 50 per cent. That is not going far enough. If the President of the United States has not the authority to go farther than 50 per cent, so far as taking the duty off fish, potatoes, lumber, cattle, and other natural products is concerned, then I beg that when my good friend the Minister of Finance meets President Roosevelt and Secretary of State Cordell Hull he will say to them, "We want a real reciprocity arrangement; we want the whole of the duty taken off fish, potatoes, lumber, cattle and other commodities."

An hon. MEMBER: Oh, oh.

Mr. DUFF: The constituency of the hon. member opposite is suffering because the Tory party of the United States put a high duty on butter. He should be the last one to laugh at me when I am seriously discussing a matter of vital importance, a matter which affects the real life blood of this country, and when I say that until such time as we obtain a proper reciprocal trade arrangement with the United States, Canada will never enter into her own.

Hon. E. N. RHODES (Minister of Finance): Mr. Speaker, I hope it is not necessary for me to reiterate a confession of faith with respect to my attitude regarding trade relations between Canada and the United States. I do, however, wish to say to the hon. member for Antigonish-Guysborough (Mr. Duff) and to the house that I take exception to his suggestion that the Conservative party is now or ever has been opposed to a trade agreement with the United States. I do not purpose interjecting a party flavour into any remarks I may have to make, and I assure the house my observations will be brief, but I cannot permit that imputation to go unchallenged. We may agree to disagree with hon. gentlemen opposite with respect to the merits of particular proposals. That is one thing. But it is not for them to say that the Conservative party is opposed, or that it ever has been opposed, to a trade agreement with the United States. I am prepared to say to my hon. friend immediately that I believe he is absolutely sincere in his desire to effect better trade relations with our neighbours to the south, but surely I have the right to expect from him and those associated with him that they will attribute to me and to those who surround me feelings of equal sincerity with respect to that same matter.

Mr. DUFF: I thought I did.

Mr. RHODES: If my hon. friend says he did I am prepared at once to accept his word, but the clear inference I drew from his

observations was that there was not that same favourable attitude, to put it euphemistically, on this side of the house as there was on the other with respect to a trade agreement with the United States.

I am going to resist the temptation, although I must admit that it is a very great one, to remind my hon. friend of the fact that during the nine years his government was in power we got farther and farther away from a trade agreement of any kind with the United States than in any similar period in Canadian history, and that the opportunities of effecting a trade agreement with the United States were made more difficult in that period by reason of the attitude of the United States regarding their tariff action against this country. In making that statement I find no fault with our neighbours to the south. They were dealing with their own tariffs in their own way, as they had every right to do. I might elaborate and embroider that attitude to a very considerable extent, but I do not wish to impart a party flavour to this discussion at all. I do, however, submit that it is only fair that I should not accept without question the statements of the hon. member for Antigonish-Guysborough (Mr. Duff) which do not conform to our feelings and beliefs with respect to this matter.

Having said so much I do not think it is necessary, particularly in view of the attitude of the Conservative party towards trade relations with the United States as disclosed by the right hon. the Prime Minister last year, for me to make any further comment upon my hon. friend's suggestion that we are now converts and have changed our attitude in that respect.

My hon. friend alluded to a reference I made the other night to the effect that to discuss this matter at this stage might be good party politics but was not good national politics. That observation arose out of something which had been said by my hon. friend from West Edmonton (Mr. Stewart), and I can assure my hon. friend from Antigonish-Guysborough and the house that in making that statement I had no desire to impute motives to hon. gentlemen opposite. That was farthest from my thought. All I had in mind was that this was not the proper time to discuss matters of this kind, and that was why I said it was not good national politics at this time.

Let me say to my hon. friend that in suggesting that I had said, even by implication, that we should not provoke the United States he was imputing to me words and thoughts which were neither expressed nor even conceived. I never used the word "provoke."

Mr. DUFF: I did not say you did. I said the Minister of Railways (Mr. Manion).

Mr. RHODES: Quite so, but the Minister of Railways was merely quoting a remark of the right hon. leader of the opposition when he was taken to task for not having taken the tariff action which was called for in view of the action of our neighbour to the south.

Mr. MANION: And when no trade treaty was pending.

Mr. RHODES: And when no trade negotiations were in hand. My hon. friend from Antigonish-Guysborough suggests that we were afraid. It is not a question of fear at all. It is simply a question of ordinary, good business sense. I submit that when you sit down to negotiate with your neighbour for the purpose, not of composing necessarily differences, but to arrive at an amicable arrangement that will be mutually advantageous, it would be the height of folly, if not stupidity, to say in advance just what you were going to do. It would tie your hands, if not in the way of final action, certainly with respect to your ability to negotiate. The whole idea of this conference is that we should sit down and negotiate and discuss, and I say it would be only ordinary good business judgment and prudence in those circumstances to leave the situation as it stands, and then after the negotiations have been concluded, successfully or otherwise, discussion of the subject is an entirely different matter. I deprecate any suggestion that in asking the house not to debate these questions at this time the question of provocation arises, and I hope in having said so much my hon. friends opposite will not think I have been provocative, because that is furthest from my mind.

My hon. friend went a very long distance when he suggested that there is any comparison between the attitude taken by the hon. member for Toronto-Scarborough (Mr. Harris) in connection with his resolution and the resolution of my hon. friend. Without discussing the merits of the resolution of my hon. friend from Toronto-Scarborough, which I may say I knew nothing at all about until I saw it on the order paper, may I point out that it reads as follows:

That, in the opinion of this house, the operation of the trade agreements concluded at the imperial economic conference held at Ottawa, 1932, merits the approval of this house.

His resolution had to do with the operation of an existing trade arrangement, and that was an entirely different thing from discussing in advance matters you must deal with in negotiations which are immediately pending. I fail to see the slightest comparison arising between the two resolutions.

For reasons which are obvious I do not propose to discuss the merits of the resolution now before the house, much less do I propose to traverse the ground that was covered by my hon. friend from Antigonish-Guysborough in the incidents that he referred to. I do not think for the reasons I have indicated that this is the time to discuss individual items of the tariff which will of necessity have to be dealt with in the negotiations, and much less would it be the part of wisdom for the Minister of Finance to enter even a partial discussion a few days or weeks prior to bringing down the budget when all these matters will have to be dealt with.

I hope my hon. friend will accept my assurance that I yield to no one, not even to him, in a very earnest desire that we may effect a lasting and favourable trade agreement with the United States which will be mutually advantageous to the people of both countries. But in order to achieve that we cannot improve our position by muddying the waters in advance, and in using that simile I hope no offence will be taken because none is meant.

In these circumstances, inasmuch as my hon. friend's resolution is the same precisely in principle as that moved by my hon. friend from West Edmonton, I hope for the reasons which I indicated at that time that my hon. friend from Antigonish-Guysborough will not bring me to the necessity of moving the amendment which I did upon that occasion, but with that magnanimity of spirit which he has asserted, and which at times he exhibits to the utmost degree, he will recognize that it is the part of wisdom and in the interests of all Canada not to proceed with this resolution at this time.

Mr. OLOF HANSON (Skeena): I do not think that the fishing industry in Canada has received from this parliament that consideration to which it is entitled. For quite a long time we have had only an acting minister, and in the last ten years we have had fishing problems never known to this country before. We have not a minister devoting his time and attention exclusively to this growing industry, but only acting ministers, and we cannot expect to get the best results from acting ministers. We cannot expect them to study the fishing problem as closely as it should be studied by a minister who is charged with that office. I submit that the industry is important enough to have the exclusive services of a minister.

The mover of this resolution (Mr. Duff) has outlined the handicaps which the Canadian fishermen are working under, and I would bring to the attention of the government an item which is very vital to the modern fishing industry; I refer to the supply of gasoline, crude oil and lubricating oil. These things are absolutely necessary if Canadian fishermen are to compete successfully with the fishermen from the United States. We are also under the handicap of a duty of two cents per pound on fresh fish, and while I am not blaming the government because of this, I do hope that now they are negotiating with the United States that duty will be one of the questions which will be taken into consideration.

As the Minister of Finance has said, this is hardly the proper time to discuss these matters in detail. We have indicated to the government the handicaps under which the Canadian fishermen are working, and I would move that the debate be adjourned.

Motion agreed to and debate adjourned.

LAND SETTLEMENT

FIVE YEAR PLAN TO ENCOURAGE AND ASSIST RURAL POPULATION IN FARMING

Mr. J. A. BRADETTE (North Timiskaming) moved:

That, in the opinion of this house, it is expedient that the government should take into immediate consideration the establishment of a five-year plan for settlement on the land of the young farmers of this country.

He said: I greatly appreciate this opportunity to discuss the basic industry of this country, namely, agriculture, and I think I am justified in taking a few minutes to point out the importance of the proposal I am making. At the beginning of my remarks I might quote that old maxim, that the source of a nation's vitality is in its rural population and that the foundation of its prosperity is its agriculture. In the last hundred years we have seen the industrial state superimposed on agriculture, and there is no doubt whatever that the condition that has resulted has created a burden of responsibilites and taxes which is weighing heavily on the agricultural classes.

I wish to point out some of the phases of the problem facing our rural population and to suggest what in my opinion is the way to solve that problem. The basic industry of all

civilized countries is agriculture—such countries as France, the United States, Japan and Russia, and I will not omit England, although England is highly industrialized. But generally speaking the basic industries and wealth of these countries are farming and forest activities. Even in England we have witnessed an agricultural revolution in the last three years. Under the dynamic leadership of the Minister of Agriculture, the Hon. Mr. Elliott, Great Britain is trying now to make herself almost self-supporting in regard to agriculture. Whether this is due to the trade agreements adopted in 1932 or whether it is the result of the industrialization of all the civilized countries, I am not prepared to discuss at the moment. The fact remains however that to-day in this country we find ourselves in a situation similar to that which exists in other countries. We are faced with an agricultural problem, and I wish to discuss some phases of that problem.

First of all I would make it clear that not only has the industrial state always to some extent superimposed itself upon agriculture, but governments, whether local or central, have worked to the detriment of the agricultural class. In this country we have on the one side the great industries and on the other the basic industry of agriculture, and though we have not had severe convulsions, we have witnessed a conflict in Canada between the agrarian class and the industrial, so much so that sometimes the conflict has been expressed in party lines. Only a few years ago we had the spectacle in this House of Commons of a very strong agrarian party, which had its rise in the feeling of the farmers, a feeling which they still have, that they were not receiving from the legislative assemblies and from the central government that attention which their problems deserved. And we have the same spectacle to-day. Quite often in the discussions that take place here we have sensed a certain conflict between the two classes. We can see in the far corner the attempt to unify parties under C.C.F.'ism, when my hon. friends try to reconcile the interests of the agrarian and the working classes and they find it impossible to do so.

I think the house must realize that in the industrial development that has taken place, in the mechanization of industry everywhere and in Canada as well, there has been laid on the shoulders of the farmers an added burden. When the present government came into office in 1930 they realized at once, as others had realized in the past, that the even balance between the urban and the rural population had been lost, and that is why we have seen inaugurated by the government the so-called back to the land movement. I am going to be outspoken in regard to that scheme, speaking from the point of view of a man who knows something about farming. During the war the appeals made to men were coloured by patriotic feeling; but to-day there is not very much poetry in the life of the farmer, the man who is trying to make a living out of the soil. We must be sensible, logical and practical in dealing with the problem; for the farmer does not live an arcadian life. For generations the agricultural class has been trying to get a living out of the soil; but generation after generation we have seen all governments working more and more into the hands of the industrial state. We see this in the banking system, in connection with social questions, credit questions, the tariff and all the modern social activities converging towards one end, and working more and more, as I say, into the hands of the highly industrialized state.

It is true that during the present session there has been mention in the speech from the throne of the Natural Products Marketing Act. That was perhaps a debatable matter and perhaps it may prove beneficial to the farmers as a whole.

The Farmers' Creditors Arrangement Act was also mentioned. This is to some extent a step toward a solution of the problem, but from the discussion yesterday and on previous occasions of the Unemployment Insurance Act, I am sure everyone will realize that that measure, although I am and I believe Canada as a whole is in favour of the principle of it, will without doubt prove an added burden to the rural population without any expectation on their part to receive any benefits from it. I was rather astounded a few days ago when the hon. member for East Hamilton (Mr. Mitchell) said that the employers in industry tried to help their employees while the farmers at this time were trying to get cheap labour on their farms. It is all they can afford to pay their help; they have not the means with which to pay high wages to labourers to help them to till their soil, although they would like to do so.

To come to the back to the land movement, I maintained in the fall of 1930 and again in the year 1931 that unless the central government found it possible to spend large sums of money to make that scheme a real success, it was bound to fail, because in those days the government was claiming that the scheme was a success even if they did not spend a

single dollar in placing people back on the land. Since then they have found it possible to make a tripartite arrangement comprising the municipalities, the province and the dominion, each party advancing $200, making a total of $600 per family to take the unemployed from the urban centres and place them on the land. At that time I maintained that even if the scheme were not a complete failure, it would certainly not rectify the unemployment situation. Now, after four years of application of this scheme, I must state that it has not proved a solution of the present unemployment situation in the urban centres, for three simple reasons: first, under that scheme the urban centres tried to unload some of their responsibility on to the rural districts; second, there was no access to the people who were best qualified to take action under the scheme to get some of the land simply because the municipal organization or people in the unorganized rural districts could not claim any of the money under the back to the land movement; third, it was a recognized fact that there was unemployment in every section of the country and when you have unemployment in the cities, naturally you have unemployment in the rural sections. What happened under the scheme was that those in charge were left to their own initiative to find settlers and tne rural population had no access to the back to the land money. The government must find it possible to generalize the idea and not to attach too many strings to it. They have been taking people who have left rural occupations for ten or twenty years, who are in many cases now advanced in years, and are trying to put them back into farming. Such a scheme is bound to fail. I have seen in my section many fine men and women, splendid types of Canadian citizens, trying to carry out the scheme, but I have received visits from tens and hundreds of men; I have visited most of those settlements in northern Ontario and I an convinced that as soon as the industrial situation in the urban centres is rectified quite a number of these people will flock back to the occupations they had in the past. In the meantime, the population best qualified and equipped to take advantage of the scheme has been left severely alone.

In the past we have had many different schemes of colonization and I have before me at present a circular letter from Brigadier General Hornby. I admire his activities, but I say to the house that it is no use for him to try to bring rural immigration into Canada. There is no room for such immigration and we need not fool ourselves in that connection. When I was sitting on the government side of this house some years ago I told the then ministry that it was an anomaly to bring people from Europe and try to put them into agricultural occupations. That situation applies more forcibly to-day than it did then. It is absurd to bring people from the old country and place them on the land under government supervision and on government money, while the rural population, the one that is best qualified, the one that has made farming a profession, the one that is fully equipped to carry on this occupation, is neglected. They should be given the protection and support they deserve.

I want to make my position on this point quite clear, Canada at the present time does not want any new rural immigration. It is fine sometimes to be idealists and to speak in terms of having 100,000,000 people in this country; but we must be realists; we must realize that new centres of population, so far as agriculture is concerned, are pushing back the available land not south, but north, thus meeting certain harder climatic conditions, for instance in the matter of early frosts. This applies not only to northern Quebec or northern Ontario but to British Columbia and the western provinces. I am making a very fervent plea because I speak from experience on this important question. It is absolutely no use at the present time to bring large numbers of people from Europe or even Great Britain and try to place them on the land. What will happen will be the same as occurred five or ten years ago; these people at the first opportunity will flock back to the urban centres. Such a situation should be avoided. I can remember very vividly a year after the war when with the very best intentions and with the close cooperation of the Ontario and federal governments we had the so-called colonization scheme in Kapuskasing. Settlers were placed there, the finest agricultural section in the country, under the guidance and supervision of both governments. They built homes and cleared some land on some of the richest soil there is in Canada. Returned soldiers, mostly from Canada and some from Great Britain went there with the best intentions; they wanted to devote themselves to farming in our section of the country. But what happened? Within only three years at the most, ninety-five per cent of them had gone away, showing that a great proportion of those people were not fitted for, not acclimatized to agricultural pursuits. Such schemes are bound to fail.

That is the reason why I would urge the government to turn their vision, their activities, to something better in the back to the land movement. The Minister of Labour (Mr. Gordon), under whose department the back to the land movement is, is not in his seat at the moment, but I know he is willing to listen to suggestions that will work towards a solution of the problem presently facing us. He is also familiar with the fact that that scheme cannot be practicable any longer; we have had experience with it. I remember also only seven years ago, when the Hon. Mr. Finlayson was a minister in the Ontario cabinet, he tried to take some people from the older sections of Ontario where the soil was unsuitable for cultivation and bring them to northern Ontario where the soil was better fitted for agriculture. Most of those people after one or two years left, because they were unused to their new surroundings. The same situation exists at the present time under the back to the land movement. We are studying agriculture from all angles and the same spectacle that was seen in the last hundred years, if not prior to that, will be seen in the future unless we treat the agricultural problem in a rational manner.

To-day what picture do we see so far as the rural population is concerned? We find in most of the agricultural sections of Canada the young sons of the farmers cannot get into their natural occupation, not having the means to establish themselves on the land. Agriculture is more than a profession, a craft; it is an art. A man must love the soil and be fitted to cultivate it, and he must be willing to make a certain amount of sacrifice, because notwithstanding all that may be done for the agricultural class they are bound to have to sacrifice more than other members of the social order. That is why I ask the government to let my resolution go before the agriculture and colonization committee. This is the scheme I have in view; I know it will involve a substantial expenditure, but I want the government to realize that the present unemployment insurance scheme will involve an expenditure of some six or seven million dollars a year for administration purposes only, from which, I repeat, the farmers will not get any direct benefit. They may get some indirectly through the increased buying power of the working class, but no one will deny the statement that the unemployment insurance act will be of no direct benefit to the farmer. I want the government to spend the sum of $20,000,000 in the course of the next five or ten years in placing on the land 20,000 young Canadians. I am basing my figures on these studies; the natural increase in population in Canada is 12 per thousand annually. Out of a total population of 10,700,000 people the natural increase will be 130,000 annually. If you take the division between urban and rural as 50 per cent that gives 65,000 born every year in the rural centres. Then if you take the division between the sexes as fifty-fifty you have 32,500 boys born every year in the rural centres. I believe I know enough of the rural situation to prophesy that if the government found it possible to promise to place on the land—crown land or otherwise—18,000 to 20,000 of these young people between the ages of 16 and 22, who are sons of farmers and whose natural occupation would be farming, and to give them a sum of $1,000 in five payments of $200 a year, requiring them to fulfil provincial regulations as to clearing a minimum of twelve acres in the first three years and building a house of standard size, we should find there the solution of our problems for which we have been looking for so long. Unless something drastic is done to preserve that fine, rural population it will be absolutely impossible for the government to solve the unemployment problem. What will the present unemployment insurance legislation do? It will simply accentuate the drift from the farms and rural centres to the towns and cities. What will happen to our young boys when they come out of the public and high schools and colleges? Those who at present are residing on farms will visualize the actual situation, the grind they will have to go through if they remain in rural occupations. They will realize that legislators are always working to increase the comfort and social advantages of the city population, and those young men and young women will yield to the superior attraction of the towns and cities and will thereby accentuate more and more the lack of balance between urban and rural populations. This scheme would apply to every province.

I know the house fully realizes the seriousness of this situation. I have some of my nephews in northern Ontario, and I know how it appeals to them. Under the present order not one in ten will remain in rural occupations, because our social legislation simply tends more and more to give leisure, comfort and security to the town populations. But we have in Canada the descendants of those who pioneered this country, and who have the same spirit as their ancestors. We have the descendants of the United Empire Loyalists who colonized Ontario and the shore of the St. Lawrence, and the new-comers,

and all that the majority of the sons of these people want is a chance to remain in their natural occupation, the occupation their ancestors had; but under the present conditions they find it almost impossible to continue to follow the calling of their fathers. I sincerely believe that if my resolution is given a chance to go before the agriculture committee some rectification of that abnormal situation will be found. The rural population has the same right to comfort and happiness and good living conditions as any other section. The young farmer has the same right to live as a real Canadian as any other section of the population. In considering this problem we must never forget the fact that once people from the rural areas become established in the cities you cannot get them to go back. Can you visualize the sons of farmers who become civil servants, for example, thinking of going back to farming as an occupation? Can you visualize the sons and daughters of professional men taking to farming as an occupation? There is no comeback from the cities to the farms. Unless farming can be made interesting for those young people who have the natural inclination for it we shall not find a solution of our present problems. It must be remembered that the young farmer knows in his early years that if he stays on the farm he will never become wealthy, his name will never be known in his own land; but he does think, in most cases wrongly, that if he goes to the cities he may get riches, and his name become known. There is that great temptation for the rural population to find its way to the cities. I have no quarrel with the industrial state, but there should be closer cooperation between the two parts of the population. Surely we cannot expect to see prosperity back in our midst and a contented and satisfied population unless we make it possible for all sections of the population to be prosperous. We have all read with interest of the great experiment of Russia in her five year plan, trying in five years to industrialize a highly rural population. What happened? Those plans almost failed. Why? Because they forgot one factor, they forgot that agriculture is working with nature and Providence. I venture to prophesy that if Russia does attain to high industrialization it will mean her doom, for we realize to-day that industrialization alone is not sufficient. We have to-day the habitant in some parts and we have farmers in the rest of the country who within the next twenty years, if present tendencies continue, will become a peasant class. Under our present educational system to be called a farmer is in the minds of many almost an ignominy. It is hard sometimes for the son of a farmer to find a wife, just because he is a farmer. Our educational system is at fault in that respect. Canada must necessarily remain primarily an agricultural country and we must preserve that fine population which produces the basic wealth of this country. But you have a new school of thought in this country. Last fall I read an article in Saturday Night which said that Canada was at the crossroads; that it would be much better for the farmers to fold their tents and go back into the cities; that Canada had to cease being an agricultural country, and that its future lay in industrialization. Can any member visualize what would happen to our country within ten or twenty years if such a thing happened to our agricultural population? It would be the doom of our country. Take the history of the past; once agriculture is neglected the country fails. That was true in Persia, Rome and Greece of old; the moment those nations neglected agriculture they reached the end of their civilization. The same problem exists at the present time in almost every country in the world; every country that neglected agriculture is paying the price.

I do not want to speak at any greater length on this important subject, although I will refer to it again when the back to the land movement is under discussion. Again let me say that the back to the land movement, which was inaugurated in all sincerity in an attempt to solve this important question, has practically failed to relieve the situation. Certainly it has not solved the difficulty so far as the equilibrium in population is concerned, and it has done very little to relieve the urban centres. That back to the land movement has not played the game with the population best qualified to remain on the land, and I ask the government to let this resolution go to the committee on agriculture and colonization, where it may be discussed in detail. We want to be fair. In connection with this resolution I ask for the expenditure of $20,000,000 over a period of five or ten years. During this session we will pass one measure, the administration of which will involve the expenditure of $7,000,000, in order to help the workingmen of this country. The farmers have no quarrel with the workingmen; they would be quite satisfied to see the workers better looked after under the new act, but surely the rest of the population should be willing to give a certain amount of relief

and attention to those engaged in agriculture, who are ready to play the game with this country.

In conclusion let me say that unless we find it possible to implement this resolution, in part in least, we will not have prosperity in this country. There is no need for conflict between industry and agriculture; rather there is need for the closest possible cooperation between the two, because the happiness and prosperity of all the people are absolutely bound up with the application of this fundamental formula. The agricultural class appreciates the problems of the other sections of the population, but does that class in turn receive the same consideration of its problems? We hear of new deals and new orders of things. Many times these expressions are simply catchwords, sometimes used to blind the vision to reality. We must come to the crux of our problem; no class can prosper to the detriment of another class, and if by our study, our legislation and our effort we can restore prosperity to the primary producers, the farmers, then and only then will the prosperity of the whole country be assured.

Mr. EUSEBE ROBERGE (Megantic) (Translation): Mr. Chairman, the resolution now before us has for its object to help farmers' sons to establish themselves on the land, and it provides for a five year plan. I have on the order paper a similar resolution, but providing for a three year plan. My resolution reads as follows:

> That, in the opinion of this house, it is expedient that the government should study immediately the question of amending the Unemployment Relief Act, in such a way as to enable the Minister of Labour to accept the Vautrin plan in extending the same privileges to the family heads who establish their sons on abandoned farms.

This resolution being pretty far down on the order paper, I shall probably not have the opportunity of discussing it this year. I therefore take the present occasion to offer the observations I would have made in presenting my own motion.

Mr. Chairman, we have in the province of Quebec an act that provides for assistance to the farmer wishing to establish his son on an abandoned farm or on other land purchased by him. This act, which has been in force for three years, has given good results. For the first and second years, the government limited the grant to $300 to ten persons in each county. During the two first years, almost every county in the province of Quebec took advantage of the act, and, in the third year, the grant was made to twenty persons per county.

[Mr. Bradette.]

Last year, as Megantic county was without representation in the Quebec legislature, owing to the appointment of my colleague Mr. Lauréat Lapierre to the post of sheriff of the district of Quebec, all applications from farmers came to me, although I was not in charge of patronage, and I forwarded them to the hon. Minister of Colonization. The popularity of the measure is shown by the fact that in the course of the year I received fifty applications, of which forty came from industrious people and were considered worthy.

Last autumn, the Vautrin plan was approved by the large convention held at Quebec and attended by hundreds of persons who had assembled to discuss the advantages of a colonization plan. The provincial government then raised to ten million dollars its grant for the establishment of farmers' sons and of unemployed men on farms or colonization lots. The limitation of twenty grants per county, fixed by the first act and in force since one year, was withdrawn and to-day the Quebec government makes the grant to any head of a family who wishes to purchase a farm for his sons, providing the farm be registered in the name of the son, that the latter settle upon it and that he be a bona fide farmer.

I believe, Mr. Chairman, that if the federal government contributed an equal amount to this plan, it would be much more advantageous, in many cases, than to send farmers' sons out to new land far removed from their families. To establish a son in the same parish as his father would cost much less, for many reasons. The first reason is that the son could use all his father's farm machinery. Secondly, he could borrow, during the first year, his father's horses to do his ploughing, seeding and other heavy work. That would make it unnecessary for him to buy farm machinery and would allow him to use his income to purchase a certain number of head of cattle which would make it possible for him to earn his living on his farm from the first year. The third advantage would be to put back into operation the abandoned farms that dot our beautiful Quebec parishes, while making it possible for the sons of farmers to remain near their families. To-day, thanks to improved farming methods, the farmers of the old parishes of the province do not need so much land as formerly. Dwelling in an agricultural county, I am in a position to state that in my own parish, farmers obtain from the same amount of land twice the crop they harvested twenty years ago. My parish, like all the others of my county, still has unoccupied farms.

It is for all these reasons that I urge the federal government to do its share and to contribute as much as the Quebec government towards helping fathers of families to purchase land for one of their sons. With this $300 grant, you will immediately find that farms will sell and that farmers sons, instead of leaving home, will in most cases remain in their respective counties, where they will be much happier near their relatives and friends than they would be in distant colonization districts.

I do not object to the grant the federal government makes to farmers sons settling on colonization lots, but I believe that the scheme I have just submitted deserves to be encouraged as well. For this reason, I ask the hon. Minister of Labour (Mr. Gordon)—who also administers the Unemployment Relief Act—to have the act amended in such a way as to grant to fathers who wish to establish their sons on farms in our old parishes an amount equal to that granted by the Quebec government. I am convinced that once this scheme is put in operation, our abandoned farms will be occupied once more, farmers sons will settle upon them permanently, the federal and provincial governments will find that it costs less to establish these young men on farms that will provide them with a living from the first year, and that they will have to make only one grant. I repeat that this scheme will be less costly to our governments, for if you establish these young men in colonization districts, you will have to grant them each year ploughing and clearing bounties and even direct relief. There will be everything to build: roads, schools, churches; whereas, in our old parishes all that has already been done.

In my opinion, that would be one of the finest things the government could do to assist the farmers of our province.

Mr. SAMUEL GOBEIL (Compton): Mr. Speaker, I have no intention of taking up any considerable time, and I can assure hon. members my observations will be very brief. I speak more for the purpose of receiving enlightenment than that of offering any suggestions.

In an able speech the hon. member who sponsors the resolution (Mr. Bradette) gave credit to this government for the many measures it has passed and is now passing which will have the effect of helping the farmers. In addition to the reforms he mentioned he could have mentioned many more. In my view the important point to decide is as to the responsibility shared by the federal and provincial governments, a point which should be determined so that the position of those governments may not be in doubt, and so that calls for grants may not be made upon governments not responsible for such grants.

The hon. member for North Timiskaming (Mr. Bradette) holds the view that this government should create new centres of colonization. I had to ask myself the question: How could the federal government create new centres of colonization when in fact it has no land which could be used for that purpose?

An hon. MEMBER: There is plenty of land.

Mr. GOBEIL: There may be some in the west, but none of it belongs to the federal government. All the lands which could be used for colonization purposes belong to the provinces. I would ask every hon. member to answer this question, regardless of party politics: How could the federal government create centres of colonization? If the federal authorities voted money for the purposes the hon. member has mentioned, undoubtedly those moneys would have to be spent by provincial agencies. How could the federal government expect to have coordination or any degree of cooperation when it had to deal with the nine provinces? Human nature being what it is, I believe it is fair to say that a federal government, formed of any political party would not receive the cooperation necessary to carry out a scheme such as has been described. To-day we have in the federal sphere a Conservative government; in the past we have had and again in the future we may have Liberal government. The experience has been the same in each province, and in the light of that fact I believe it is fair to state that no government, whether it be Liberal or Conservative, could expect frank or sincere cooperation from a provincial government that would not be of the same political faith.

I should like some politician or statesman who has had more experience than I have in these matters to answer this question: Whose function is it to colonize our country? Is it the function of the federal government or of the provincial governments? Had colonization been a duty of the federal government it appears to me that the colonization lands would have remained the property of that government. As long as those lands are the property of the provincial governments, it seems to me that the provinces should shoulder the task of colonization for the advantage of settlers.

The hon. member has said he would like to have $20,000,000 spent in the promotion of

his scheme. The legislature of the province of Quebec is about to pass a law under which they will spend $10,000,000. If those moneys are well spent—and I trust they will be—the results should be beneficial. However, that is only one province, and there are nine in the dominion. If each province spent a similar amount, on a per capita basis, there would be an expenditure of at least $50,000,000, undoubtedly hon. members will say the federal government should do its share, but in reply I would repeat the question: Is it the function of the federal government to colonize? There are many channels through which the moneys in the federal treasury may flow, and in fact large amounts of those moneys are now being spent for the benefit of the provinces, under the Gordon plan, or the back to the land movement. The federal government is paying subsidies to all the provinces, and it seems to me that some of the money might well be used by the provinces, for purposes of colonization.

I have not very much more to say. If I had any intention of speaking on this question from a political angle I could say a lot more, and the temptation is very great, to say the least, but I shall not do so because I wish to refrain from discussing the subject from a political angle.

It is important that those who have more knowledge of the purposes and jurisdictions of the different governments in this country should try to clear up this matter so that the citizens of the different provinces may be fully seized of the question and know who is to spend the money to settle on the farms our young Canadian boys and girls. I think that is of vital importance, not only from the point of view of its immediate effects, but so that our citizens may understand clearly where to apply when they want to approach their governments, whether federal or provincial.

Mr. MICHAEL LUCHKOVICH (Vegreville): Mr. Speaker, I was very much impressed with the resolution of the hon. member for North Timiskaming (Mr. Bradette). I was not quite sure when he was speaking whether he wanted to rehabilitate upon some other farms the boys who are already on the farm, or to get the boys who have left the farms for the urban centres to go back to the farms. He shakes his head at the latter suggestion.

I agree with this resolution, Mr. Speaker, and not only with what my hon. friend has said as to helping the boys who are already on the farm; I would go a step further and extend help to our boys and girls who have left the farm to try and earn a livelihood in the urban centres. I am in favour of helping to reestablish them on the farm.

The hon. member who has just taken his seat (Mr. Gobeil) said that there would be difficulty in getting the cooperation of the provinces in this matter. As I remember immigration in the past, the government had no difficulty in getting the cooperation of the provinces in bringing immigrants from the old country; and surely if the government found no difficulty in getting their cooperation in bringing men to this country from outside of Canada there can be no reason to expect any difficulty in getting the cooperation of the provinces in rehabilitating Canadian boys on the farm.

If it had not been for the fact that I have received many letters from boys in my province asking me whether there is any scheme to help the boys get established who are already on the farm, I might not have taken any part in this discussion. The government has accepted the resolution of my hon. friend from East Toronto (Mr. Church) with reference to a housing scheme and has appointed a committee to go into that matter. Now if the government can launch upon a housing scheme to help people in the cities there is no reason why we cannot launch upon a scheme to help the young men on the farms.

As to bringing young men from other countries to Canada who have had no previous experience in agriculture, and placing them on farms at government expense, I am in agreement with the hon. member for North Timiskaming that we should rather help first those who are already settled in Canada, the sons of our own Canadian farmers, before we help the sons of farmers who do not reside in Canada and are not citizens of this country. I think a scheme of that kind bringing in people from outside this country would not be sound, in the first place, and secondly I could not support it because it would be discriminating against the boys and girls who now live in Canada and who likewise would like to be placed on farms. If I remember correctly, the hon. member for Kindersley (Mr. Carmichael) in discussing the immigration problem last year, spoke of the many university students from the rural districts who are seeking to be placed in some occupation but who because of the depression are finding it very hard to get into any of the professions, so the only thing that is left for many of them is to be placed on the farm. There are many hundreds, I would say thousands, of these boys in the country

at the present time. Why can we not do something to establish these boys on the farms of Canada?

My plea is on behalf of that large number of well trained boys who have lived on the farm all their lives and who now either have no land of their own or else, having it, find the overhead too much to carry and wish to move to newer and less overtaxed districts. As I have said, I have received letters from many parts of Alberta asking me if there is any scheme to help to place Canadians on the farm. If I were to make a synopsis of what these young men have to say, it would be something like this: Before the depression set in the fathers of some of them had made payments on their land, very good land in many cases. They had become established there, but notwithstanding their ability and great economy they had not been able to bear the disproportion between the low prices and the cost of living and burden of taxation, and so had decided to pull out to newer districts such as the Peace River, where homesteads are available and the taxation is lower. These young men and women could go if they could get some help from the government. I know hundreds, yes thousands, of young men who are very much in the same predicament. Imagine how these young men in Canada would feel if they were refused help and boys from outside the country were assisted in the matter of being placed on Canadian farms. It would tend to bring about communism in this country. I think the duty of this government is to help our own citizens before we think of helping others outside. If boys were brought in from outside they would have to be trained and we should have to pay for their training, and even after they had been through some process of artificial education I cannot agree with those who say that they would even then make as good farmers as our own Canadian boys who have been brought up on the farm. The thing is impossible. No boy can make as good a farmer as the boy who has been raised on the farm. There are many families on the farm in this country with six or seven or eight or ten or twelve children, but these young people cannot get established. They cannot buy land contiguous to that of their parents because it costs too much, the taxes are too high; and the only place to which they can go is the newer regions such as Peace River where there is plenty of homestead land. But even that is difficult for these young men because they have not the money to make a start. If the government would only do something to give these young men a start I have no doubt they would make good farmers and would not become a burden upon the taxpayers.

In conclusion, Mr. Speaker, may I say I am in agreement with the principle of the resolution, and I think the hon. member for North Timiskaming is to be congratulated on bringing it to the attention of the house.

Mr. F. W. GERSHAW (Medicine Hat): I have received many letters from young men who are anxious to get a little assistance to start in farming. I think we all agree that farming is the oldest occupation of mankind; all down through the ages it has been the chief occupation of the race, and I certainly think that if assistance is to be given any class of people in the country it should be given to the boys and girls, the sons and daughters of the pioneers, to help them to be self-supporting and to become established.

In the district in which I live there are a great many of these young people who would like to become established and to start up in their immediate localities, and I think that is an important factor that should be kept in mind. They know something of the nature of the soil and of the difficulties to be overcome, and they are in a much better position to fight successfully against the elements, the disasters which are so common in the farming life, than are people who come from distant parts of the country.

We realize that there is a surplus of wheat, of cattle and so on. But many of these people who have been brought up on farms would not go in for mining the land but for making homes; they would go in for mixed farming and would try to provide for themselves nearly all the necessities of life so that they would not add greatly to the surplus and would be at least self-supporting. Surely the people of the country owe something to the young men and women; they owe them the opportunity of fitting themselves for the business or industrial life of the country. It seems to me therefore that steps along this line will help in that direction.

I have in mind the idea of the younger people settling in homes near the places of their birth so that community centres could be established. They would be close together and would be in a position to make use of the churches, the schools, the roads and so on, and medical and hospital attention would be accessible to them as required. In Alberta people have gone to distant districts and located on homesteads, and when they have been stricken in sickness they have cost the province many hundreds of dollars getting

them down to some place where they can get relief. They have gone beyond the districts where utilities, roads, schools, bridges and so forth have been established and in that way have put the province to a great deal of expense. I do think that if community centres could be established, if the people born in the district could be helped to establish homes for themselves there, the social life of the farm would be made much more attractive and a great deal would be added to the contentment and happiness of the people who are trying to make a living at this occupation.

Mr. J. P. HOWDEN (St. Boniface): I desire to go on record as being entirely in support of the resolution of the hon. member who has proposed it (Mr. Bradette). I know that a great many members of this house do not agree with the sentiment, and a good many of those who are themselves established in agriculture feel that an endeavour of this kind would be futile. But I would say for myself that back in the early stages of this depression, when factories were closing their doors all over the country and businesses were going to the wall, men and women being released into the ranks of the unemployed in hundreds and thousands, I was one of the early ones in the house to advocate a back to the land movement. I felt then, as I feel now, that it is the only movement that offers any remedy, immediate or permanent. We all hope that in the course of months or years, as the depression subsides in some degree, industry in all its branches will be going fully again and our unemployed will be to a large extent absorbed. But certainly it is very much better to have a family residing in the country than idling in the city. You cannot grow potatoes or cabbages on a boulevard; you cannot raise poultry or pigs in the city. But when you have established a family on the land, at least they have cheap shelter and as a rule they can obtain fuel and water; and with a little endeavour they can manage to have milk, eggs and poultry and whatnot without much expense to the state, all of which things have to be paid for one hundred per cent for those families that remain in the city.

I may be right or wrong, but as the matter presents itself to me I believe we shall always have extensive unemployment. It seems that as the years go by manufacturing and other urban industries are releasing more and more men all the time. How they will ever be taken up I have never been able to guess; I have not the remotest idea what we shall ever do with them, because as improvements are made in manufacturing machinery more and more men will be released. We abhor the idea of a peasantry, but this much we must say, that in the days of the peasantry the country was filled with peasants who managed to live and did not demand relief from governments. I think it is fortunate that we have the land, because I believe the time is coming when there will be hundreds of thousands of people back on the land. The advantage we have over the older countries at present is that they have their hundreds of thousands of unemployed, not knowing what to do with them; they have no land to settle them on and no industries that can engage them. In this country we have the land and we hope that the people can go back to it and make a living out of it.

I readily appreciate the fact that the resolution as proposed is on a very much grander scale. It contemplates the expenditure of some $20,000,000, proposing to start each individual off with $1,000. It is rather a large order to think of at the present time, but I sincerely hope that the time will come when it will be easy for the government to engage in such an enterprise. In the interim we in Canada have acres upon acres, sections upon sections of excellent land on which we can establish families, and all the cities are brimming over with bona fide agriculturists who are ready to go back to the land. I do not think we should wait for the time when we shall be able to give them $1,000. I think we had better send a lot of them back and give them what backing we can. It is true that in some parts of Canada the movement has not been a success, but on the other hand, in Manitoba we have established some 300 to 350 families on the land and I believe ninety per cent of the movement in that province has been a success. Most of them are doing well; most of them have taken the movement seriously and have no desire to return to the cities.

I do not know that I have much more to say, but in reply to the hon. member for Compton (Mr. Gobeil), who was wondering whether it was the business of the federal government to reestablish families or individuals on the land, I think he knows in the matter of the soldier settlement scheme alone the federal government already has an arrangement with the provinces by which men are sent back to the land. Hundreds of families have gone back to the land under this scheme, and when the time arrives there will be no difficulty in the way of this parliament,

if it so desires, making an arrangement with any or all of the provinces so as to send unemployed people back to the land.

I sincerely hope the good work which has been commenced will be continued and the wide open spaces which we have for hundreds, if not thousands, of miles in this Canada of ours, will some day be occupied in the profitable manner in which they can be occupied, by having people return to the land.

Mr. JOHN VALLANCE (South Battleford): I have listened with a great deal of interest to the sentiments expressed by those who have been participating in this debate. It seems to me that this is another illustration of what I choose to call "swivel chair farmers" advising the farmers. What do we find? We find that the mover of the resolution (Mr. Bradette) is a merchant lawyer. The next speaker is a school teacher; the next, the hon. member for Medicine Hat (Mr. Gershaw), a doctor and the hon. member for St. Boniface (Mr. Howden), another doctor, all probably viewing this question not from their particular professional standpoint, but from the great national point of view. I propose to approach the problem from an entirely different angle; being one of those honest dirt farmers, I propose to deal with the motion as I see it from the farmers' standpoint. Why is a resolution of this character necessary?

That, in the opinion of this house, it is expedient that the government should take into immediate consideration the establishment of a five-year plan for settlement on the land of the young farmers of this country.

We admit in that motion that the farm is not attractive enough to keep on it even those who are raised there and we propose to make it a little more attractive. All legislation to-day tends to induce people to leave the farm. All one has to do to realize this is to look through the order paper. For instance, the reform legislation all tends to make the urban centre just a little bit more attractive for all the population of Canada and until you make the farm pleasanter to retain those who are born there, you will always have to deal with this problem.

During the years I have been in Ottawa I have been privileged to visit Montreal and Toronto, and it is amazing to me to find that the great executives of all the large corporations are boys off the farm. In the early years when I was first in the house, when the Manufacturers' Association used to give us little excursions out into various portions of Quebec and Ontario, we invariably found that the men who were and who are to-day the executives of those large businesses were all boys off the farm. The same problem as exists to-day existed then. The farm is not attractive enough for them. What do we find? We find those men who were raised on the farm are to-day advising their sons that the only place to go is back on the land. I was raised in a large industrial centre and I was engaged in industry until I attained the age of twenty-three years. I came on to the farm and for the last, well, twenty-nine years, I have got a living off it.

Mr. LAPOINTE: And stayed there.

Mr. VALLANCE: Yes. I was rather disappointed when I heard the hon. member for St. Boniface talk about the glorious days when we had a contented peasantry. If one reads the history of agriculture in those countries where they had a contented peasantry, why were they contented? It was simply because they were ignorant. You will not find in any country a contented peasantry where there are the educational standards we have on this continent or even in the British isles. It is education that has created this situation. What is needed now to bring people back to the farm is education, but along a different line. I am in favour of a scheme such as is suggested if it can be worked out, but not only should we do this but we should utilize the facilities we have now under the control of the federal parliament to encourage the boys to stay on the farm. The other night when the Minister of Agriculture (Mr. Weir) was on his estimates dealing with experimental farms, I suggested that we were not utilizing those institutions to the best advantage. We should take the boys my hon. friend has in mind in bringing down this resolution and give them short courses of instruction in live stock, cereals and other branches of farming. This would make agriculture more attractive and give the boys a better understanding of it. I hope I never live to see and I hope Canada never sees a contented peasantry as it has been known to exist in the past. I would be loath to think Canada would ever have that type of agricultural situation.

Everyone agrees that the day of farming on a large scale is over, and those who are engaged in it realize this. They know the thousands and thousands of acres that have been formerly run as a unit cannot be economically run to-day. Strange as it may seem, when one makes a review of conditions in western Canada one finds so far as farming is concerned that the man contented to

stay on his 160 acres of a homestead is to-day, as we say in the argot of the west, at the top of the pile. But the fellow who has been farming thousands of acres now finds himself making application under the Farmers' Creditors Arrangement Act. You do not find any farmer with 160 acres making application under that act or to the farm loan board, and this proves that the large farm is not economical to run and is not a sound basis for agriculture. As one who has lived twenty-nine years in western Canada I have come to the conclusion that the day of the big farm is past.

Various schemes have been suggested; the Hornby plan was brought up to-day and I heard the sentiment expressed that those people should not be permitted to come to this country. I think that is a mistake; the Hornby plan should be accepted. I would remind the house, especially hon. members who come from western Canada, that when they look over the west they will find some of the leading, some of the best, agriculturists were not farmers in the old land. Under the Hornby plan it is proposed to take these people on approbation as it were, for a given period of years. If they are not fitted for farming and are not able to carry on without becoming a public charge they go back. One trouble we have had with all British immigration—and I speak as an immigrant—is that immigrants coming from almost any other country in Europe except Great Britain always find some organization to take them by the hand, but I at any rate never found any organization doing anything like that for the Britisher when he came to this country. He has been left to fend for himself. If we are to encourage British immigration it is time that some scheme such as that of General Hornby should be adopted. We can no longer allow promiscuous immigration.

As far as the present resolution is concerned I think it is good. I am faced with this problem right in my own home; I have two boys, and it would be useless to give either of them a farm. To give them $1,000 and set them up on a farm would probably be a mistake, you would be likely to find them in Montreal or Toronto some day. Man's natural occupation is the land, but those of us who stay with the land do so because of a natural bent and love of the soil and farm animals. No matter what money you give to an individual to put him on the farm, if he does not love the land and the stock and all pertaining to farm life you might as well throw your money in the sea. If we are going to adopt this scheme we must educate these young farmers. As I walk along the street I am approached from time to time, as doubtless other hon. members are, by boys asking for two bits or ten cents to get a cup of coffee; this continues in spite of the camps we have set up for unemployed, homeless, single men. I have talked to many of them and I find that most of them were raised on the farm. As I have mentioned to my friend the hon. member for Humboldt (Mr. Totzke), if when I arrived in Canada conditions had been what they are to-day probably I would be one of these men. If we bring in the immigrant we must take care of him. If we adopt this resolution we must handpick those who are to come under it. Every boy raised on a farm is not a natural farmer, and I speak with some knowledge of the problem. I propose to give this resolution my support, with that proviso that the men are handpicked before the $1,000 or whatever sum it is to be is given to them.

Mr. G. G. COOTE (Macleod): In considering a resolution of this kind we may well profit by the experience which the dominion, the provinces and the municipalities have had in connection with the land settlement scheme under which $600 per family was advanced, of which $200 was provided by each of the bodies I have named. I have here a statement from a recent issue of the Calgary paper, telling something of Calgary's experience with that plan. I am sure that the city of Calgary in choosing the families which were settled under this scheme took care to see that all of them had had farm experience, that they were not sending out green settlers. But this dispatch says:

> Whether or not the city of Calgary will continue to take part in the joint dominion-provincial farm settlement scheme in 1935 will depend upon action taken at the meeting of the relief committee of the city council this afternoon.
>
> The 1934 relief committee forwarded to the 1935 committee a resolution advising against further participation in the plan.
>
> A check-up of farm settlement reports to-day showed that of the 166 families who had been sent back to the land under the plan, 35 had returned to the city and the entire 166 of them were still on relief.

That is whether they were still on the farms or had returned to the city, they were still on relief.

Under the plan, second-year settlers are supposed to receive $100 per year as a sub-

sistence grant. Last year this amount was found to be inadequate and the city was compelled to increase it slightly.

City officials stated to-day that the greatest drawback to the scheme was that the city has no guarantee that the farm settlers will ever get off relief. In the past it was shown that if the settlers could not get along on the amount they were receiving they merely abandon their farm, come back to the city and immediately apply for their regular relief allowance.

I am not saying that under the scheme proposed by the hon. member for North Timiskaming (Mr. Bradette) the majority of those placed would come back for relief, but I am citing this experience for the information of the house. I am sure that a good deal of care was exercised by the city of Calgary before any of these families were accepted for land settlement. I was told that by an alderman of the city, and was told by a department official of the provincial government in Edmonton that they would not accept any family unless they could prove that they had had a term of fairly successful experience on a farm previous to coming into the city. I believe it would be a splendid thing for Canada to get some of the unemployed in the cities back on the land, but I think they should be put on farms that are now occupied. There are roughly 700,000 farms in Canada. On the average I think I am safe in saying every one of those farms could make good use of the services of another man, but the farmers cannot afford to hire them. If a reasonable degree of prosperity were restored to the farmers I believe that at least one-quarter of them would hire a man, and in that way approximately 200,000 men now unemployed would go back on the farms to help the farmers who are now there. The farmer may be said to be employed to-day, but he has not what may be called an income. I know many farmers who are attempting to farm a whole section of land by their own efforts A man living not more than fifteen miles from me has farmed a section for the last three years without the help of a hired man. I know another case of a man who harvested 8,200 bushels two years ago with the help only of an eight year old boy; he could not afford to hire a man. The solution of the farm problem is to restore farm prices, restore the farmers' income, and when that is done most of these young men will find their way on to farms just in the natural order.

I am not going so far as to oppose this resolution, but I say that if such a scheme is adopted it needs to be handled very carefully and there is no use touching it at all unless a measure of prosperity is restored on the farms. The experience of the soldier settlement board shows that. What is needed is to restore farm prices, bring prosperity back to the farms, and then we shall not have to spend so much time talking about unemployment and farm settlement schemes and things of that nature.

Right Hon. Sir GEORGE PERLEY (Acting Prime Minister): The subject which the hon. member for North Timiskaming (M. Bradette) has brought before the house is of great interest to us, and with many of the things which he said I fancy we all agree. He began by telling us that agriculture is the basic industry of this country. No one will deny that; we have all spoken about it in that way ever since I can remember; it admits of no dispute; it is an axiom. I am very glad to join with him in his ideas on that subject. But the house must not imagine that this government has neglected to consider the questions which affect the farm or the interests of the farmer. The hon. gentleman himself referred to the acts that have been passed by parliament since this government came into office for the purpose of assisting the farmers. We have the Farm Loan Act, now being amended and enlarged; we have the Farmers' Creditors Arrangement Act, the Natural Products Marketing Act and others, purely for the purpose of assisting the farmer to make arrangements in case he is in trouble, to get better prices for his products and to make farming a more pleasant occupation so that more people will stay on the land.

To my mind, Mr. Speaker, this resolution raises a very large question, which has been referred to and discussed by two of the hon. members who have spoken already; that is, the growth of the cities. This is a world problem and a world condition. In the past fifty years Canada has witnessed an accelerated trend in the growth of our urban population in relation to the whole population. The urban population has grown from eighteen per cent to fifty-four per cent of the total, according to the 1931 census. I believe that is one of the great reasons for the depression and these difficulties we have had throughout the world. People have gone to the cities; they have been captured by the movies, the street cars, electric lights and all the comforts of the cities. As the hon. member for South Battleford (Mr. Vallance) well said, the

young men do not care to stay on the land. There is no doubt that the captains of industry of this continent came from the farm, in large measure. They were born and brought up there, and they came to the cities with the strength and constitution given by the farm. They succeeded where city boys very likely would fail. But that is not only a Canadian problem; that applies to all the world. Some countries are very much worse off in that respect than we are; Australia is one such country, I believe, but in any case it cannot be called a healthy condition when over half the population of a country lives in the cities.

Some of the farmers of this country have had a very difficult time; all have a hard time, but I think I am safe in saying that on the whole the farmers have been better off during this depression than the people in the cities have been; I believe the farmers have come through in better shape. So far as I am concerned I should like to see anything done that will increase the number of people living on the farms not simply in order to raise some product for sale but in order to make a living from the land. There are no better people in the world than the farmers in the constituency that I have the honour to represent. They are the salt of the earth, and I believe any country would be better off with a larger proportion of the people actually living on the land for the purpose of raising what they need and in order to be self contained, through mixed farming, but I am not able to suggest how this can be brought about. The hon. member for South Battleford said that he did not know how to deal with that difficulty in connection with his own family. You are in difficulties when you come to the problem of how to meet the situation.

I take it, Mr. Speaker, that the problem raised by the hon. member for North Timiskaming (Mr. Bradette) is really a question of unemployment relief, so far as the dominion government are concerned. Settlement of the land in the provinces surely is the duty of the provinces themselves, though as an unemployment relief measure this government have taken steps to assist the provinces in carrying on these so-called back to the land movements, and I repeat that everyone is strongly in favour of those movements which have for their purpose getting back as many people as possible to the land. When this government came into office there were three main immigration agencies, the federal Department of Immigration, the Canadian Pacific Railway and the Canadian National Railways. There were these three extensive colonization services, but steps were taken to bring them together. The presidents of the two railways were invited to Ottawa in the autumn of 1930, and arising out of that meeting a cooperative back to the land movement or colonization at home movement, as we term it, was instituted. That had for its object the settlement on the land of farmers with a background of practical farm experience and sufficient personal capital to enable at least a modest start to be made. Quite a large number of families went on the land under that arrangement; during the period from October, 1930, to the end of September, 1934, these three agencies were instrumental in settling 14,748 families on farms and in placing 32,603 single men in farm work. That was quite a good result through that method.

I am sorry the Minister of Labour (Mr. Gordon) is not here to-day, because this comes under his department and he is far better able to speak about it than I am. The Minister of Labour representing the government—and the government as a whole, because this question has been discussed by us many times—has been extremely interested in any suggestions put forward by the provinces for getting people back on the land. We have had agreements with the provinces and have paid a portion of the cost under those agreements. Originally eight of the nine provinces entered into settlement agreements with the dominion government; the exception was Prince Edward Island, which really had no unemployment problem. These agreements were renewed this year with seven of the provinces, Alberta, Saskatchewan, Manitoba, Ontario, Quebec, Nova Scotia and New Brunswick, for a further period of two years. So my hon. friend who brought up this question must remember that this government have done everything possible to assist in this movement, but settlement on the land is a provincial matter. This government can only consider it as an unemployment relief measure, and this government have so done.

I might digress for a moment to the question of whether or not these people stay on the land. One hon. member who spoke said the only ones who stayed on the land were those who loved the land. I think probably that was a fair statement, because in this world most of us try to do what we like to do. If a farmer does not like to live on the land, he will make an effort to change. Under one scheme 3,442 farmers went back to the land; 560 more settled, but abandoned

their lands. In other words, out of about 4,000 families 560 did not remain on the farms.

I have in my hands a statement which for the information of hon. members I shall place on Hansard:

BACK-TO-THE-LAND MOVEMENT

Family settlement—Farm Labour Placements—Relief Land Settlement

As at December 31, 1934

Summary of Activities

	Families	Persons
Settled without financial assistance (October 1, 1930, to December 31, 1934):		
Families settled on farms—Department and railways	15,589	77,945
Single men placed in farm work—Department and railways	....	33,842
Total settlement without financial assistance	15,589	111,787
Settled with financial assistance (June 1, 1932, to December 31, 1934):		
Relief land settlement plan—agreement, Dominion and provinces	3,948	20,657
Total land settlement and farm labour placements	19,537	132,444

Analysis by Provinces

Families settled on farms (without financial assistance):

	British Columbia	Alberta	Saskatchewan	Manitoba	Ontario	Quebec	Maritimes	Total
Number of families	996	4,812	3,498	1,631	1,652	2,652	348	15,589

Farm labour placements (without financial assistance):

Number of farm placements	295	9,271	3,197	6,459	10,947	2,174	1,499	33,842

Relief land settlement (agreement—Dominion and provinces):

							Nova Scotia	
Number of families settled	52	588	930	574	585	917	302	3,948

I place these figures on record simply to show that the results of the policy followed by the government have been at all events substantial. It will be noted that the first figures given are those which have arisen as a result of the colonization arrangements made between the railways and the government. Then later in the table are shown the figures which have arisen as a result of agreements between the dominion and the provinces.

As I said before, at the present time the government may act in this matter only in cooperation with the provinces, treating it as an unemployment relief measure. That is the plan which has been put forward by the Minister of Labour, the one which is in operation under the agreements as they exist, and which has been productive of at least substantial results.

The hon. member for St. Boniface (Mr. Howden) said—and I took down his words—"It is better for people to reside in the country than to remain idle in the cities." I entirely agree with that statement, and I believe it would have the approval of every hon. member. I repeat however that this problem is world wide. The question is: How may we stem the tide of people who desire to go to the cities rather than live in the country? During my lifetime life on the farm has been made more pleasant and more comfortable in many ways. Farm communities now enjoy rural mail delivery, rural telephone service, electric lighting and many other improvements. But despite this fact the drift to the cities continues, the glamour of the city still appeals to a great many people. This is a problem the world must face, and one which is common to Canada and all other countries. We must consider the element of human nature and decide how life in the country can be made so pleasant that people will prefer living on the land and raising their own food to living in the cities. That is the practice which has been followed by the habitants of

the province of Quebec, and I claim—I know—there are no more contented or happier people than the habitants of that province.

I believe that is all I have to say. I repeat that I am sorry the Minister of Labour is not here, because he is thoroughly informed in matters of this kind. During the last four years he has had such matters under consideration, and could have explained the situation to the house much better than I have done. So far as the government is concerned, however, if hon. gentlemen wish that the resolution be referred to the committee on agriculture, it seems to me there could be no objection to that being done.

Mr. J. A. BRADETTE (North Timiskaming): Mr. Speaker, after the remarks of the acting Prime Minister (Sir George Perley) it is my intention—

Mr. SPEAKER: May I point out that the remarks of the hon. member will close the debate.

Mr. BRADETTE: I appreciate what the acting Prime Minister has said. All hon. members realize that in a forty minute period it is impossible fully to elaborate the points involved. If I understood him correctly, I believe he is content to allow the resolution to be referred to the committee on agriculture. Is that so?

Mr. MANION: Yes.

Mr. BRADETTE: Then that is all I wish to say at the present time.

Sir GEORGE PERLEY: Mr. Speaker, I suggest the hon. member move that the resolution be referred to the committee on agriculture.

Mr. BRADETTE: I would gladly make that motion.

Mr. SPEAKER: The hon. member could not do that; the resolution already appears on the order paper in his name. However it is not for me to suggest how it should be done.

Sir GEORGE PERLEY: Who seconded the motion?

Mr. VALLANCE: I did.

Mr. SPEAKER: I have the name of Mr. Reid.

Mr. MANION: May I suggest the resolution be withdrawn on the understanding that it will be referred to the committee on agriculture?

Mr. SPEAKER: Is the hon. member content?

[Sir George Perley.]

Mr. BRADETTE: Yes, on the understanding that it will go to the committee on agriculture.

Motion (Mr. Bradette) withdrawn.

SOCKEYE SALMON

PROPOSED RESCISSION OF REGULATION PROHIBITING EXPORT IN FRESH CONDITION

Mr. A. W. NEILL (Comox-Alberni) moved:

That, in the opinion of this house, the section of the special fishery regulations for the province of British Columbia which prohibits the export of sockeye salmon in a fresh condition, is against public policy and should be rescinded.

He said: Mr. Speaker, this is the first time that this motion has been called, although I have always been ready to go on with it. As this is the last time it can be called this session I would suggest that the minister might have the courtesy to allow the motion to go to the committee on marine and fisheries.

I have just time to put the situation in a few sentences. The regulation to which I object prevents the fishermen from sending fresh sockeye salmon for sale to Seattle or on the American side when the price is higher there; but when the price is lower on the Canadian side it does not prevent the canners from bringing fish in from the American side. It is a very onesided policy. The canners, when the price is low on the American side, freely bring fish in, but when the price is lower in British Columbia than it is on the American side our fishermen have not the privilege of shipping out their fish. That is a gross discrimination against the right of a man to sell his product in the best market.

Many years ago, when this rule was first made, three main arguments were advanced in its favour, all of which have been removed by changed conditions since. The principal one was this: It was argued that because the Americans were allowed to use traps and seines and we in British Columbia below the mouth of the Fraser river were allowed to use gill nets only, it was necessary to have this embargo because theirs was a cheaper method of catching the fish. But both of these conditions have ceased to exist; for last year the United States passed a law prohibiting traps in the state of Washington and adjacent waters, and two years ago in this country we allowed the operation of seines in our section of these waters. So that argument has been totally done away with, and there is nothing left now but the condition that it is a onesided thing. Hitherto the price has always been higher on the

American side, but during the last few years the contrary occasionally took place and the canners did not hesitate to bring in fish to the extent of hundreds of thousands of fish, 208,800 fish coming in in 1934, and that cut the price down to our local fishermen; but when the reverse is the case and there is a chance for our fishermen to get a higher price in Seattle, this embargo prevents it. The more or less plausible reasons that were advanced in favour of this embargo at the time it was proposed have been done away with.

As it is almost six o'clock I cannot proceed further with my argument, and I would therefore ask the minister to allow the resolution to go to the fisheries committee where it can be thoroughly threshed out.

Mr. THOMAS REID (New Westminster): I join with the hon. member for Comox-Alberni (Mr. Neill) in suggesting that this question be sent for consideration to the fisheries committee. It is a very important question and time will not permit us now to develop the argument we would like to develop. I hope the minister will therefore accept the suggestion that this be sent to the fisheries committee.

Hon. GROTE STIRLING (Acting Minister of Fisheries): Mr. Speaker, the hon. member for Comox-Alberni (Mr. Neill) introduces a resolution which suggests that this house should direct that a certain course be taken with regard to a regulation. That regulation was first instituted in 1894, but it was very considerably modified in 1932 for reasons which then existed. These regulations are due to come up for their annual revision in from two to three weeks' time, and at present suggested amendments are being received from the industry. I question the wisdom of asking the House of Commons after only seven minutes' discussion to give any direction to the Department of Fisheries with regard to what it should or should not do. I have, however, no particular reason for objecting to the suggestion that the matter should be referred to the committee on marine and fisheries. It can be discussed there and the committee can report as it sees fit.

Mr. NEILL: I will amend my motion to refer the matter to the committee on marine and fisheries.

Mr. SPEAKER: I do not understand that the mover can amend his own motion.

Mr. DUFF: The minister can move an amendment.

Mr. SPEAKER: The hon. member cannot amend his own motion.

Mr. H. J. BARBER (Fraser Valley): Mr. Speaker, I am somewhat in favour of the resolution that has been moved by the hon. member for Comox-Alberni (Mr. Neill). I think the matter is one that perhaps should be discussed by the committee on marine and fisheries, and I would therefore move that the matter be referred to that committee.

Mr. FRASER (Cariboo): I beg to second that motion, Mr. Speaker.

Amendment agreed to.

Motion as amended agreed to.

MINING INDUSTRY

PROPOSED REDUCTION IN CUSTOMS DUTIES ON INSTRUMENTS OF PRODUCTION

Mr. C. A. CAMPBELL (Frontenac-Addington) moved:

That, in the opinion of this house, the best interests of Canada demand that the burden of customs taxation be lessened on the instruments of production in the mining industry, and to this end, mining machinery, and articles required in the said industry be free from customs duties.

He said: Mr. Speaker, it is unfortunate that the time left before six o'clock will not permit me to place before the house all the facts I have before me. Briefly my reason for moving this motion is, not to embarrass the Minister of Finance (Mr. Rhodes) at all but simply to bring before the house the situation at the present time of the mining industry in Canada.

The mining industry in Canada embraces not only gold mining but the mining of all other metals, fuels, oils and gas; non-metallics; also sand, gravel, construction and quarry materials.

The taxes on the mining industry have mounted at such a rate that in some instances it is a question whether the industry can carry on or not. The only reason we have been able to carry on so far has been the advancement that has been made by engineers, research men and operators in the industry, by whose efforts costs have been lowered from year to year.

I should like in the few moments left to place before the house what has happened in respect to the rapid increase in taxes on the mining industry.

Mr. SPEAKER: It is six o'clock.

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

Thursday, February 21, 1935

The house met at three o'clock.

INDUSTRIAL AND INTERNATIONAL RELATIONS

Mr. G. D. STANLEY (East Calgary) presented the first report of the select standing committee on industrial and international relations, as follows:

That five hundred copies in English and two hundred copies in French of the minutes of its proceedings, and of the evidence to be taken before it, together with papers and records to be incorporated with such evidence, be printed from day to day; and that standing order 64 be suspended in relation thereto.

Mr. STANLEY moved that the report be concurred in.

Motion agreed to.

QUESTIONS

(Questions answered orally are indicated by an asterisk).

*PRICE SPREADS AND MASS BUYING

Mr. FRASER (Northumberland):

Had the Prime Minister seen or was he aware of the contents of the pamphlet entitled "Price Spreads and Mass Buying" issued on July the 27th, 1934, by the Hon. H. H. Stevens, at the time Minister of Trade and Commerce, before it was released for distribution?

Mr. BENNETT: The answer to this question is no, if the words "released for distribution" are used in their ordinary sense; that is, that there were copies of the pamphlet in question in circulation. If, therefore, the words "released for distribution" mean that copies were in circulation, I understand a limited number were, the answer is no.

GOLD HANDLING CHARGES

Mr. FRASER (Cariboo):

What is the amount of all charges collected by the government for assaying, refining or any other charge or fee collected from the producers of gold, during the calendar year 1934?

Mr. RHODES:

The amount collected to cover the cost of melting, assaying, refining and handling, was $337,533.21.

WHEAT SHIPMENTS VIA UNITED STATES PORTS*

Mr. BROWN:

Has there been any understanding arrived at between the governments of Great Britain and Canada, since the Ottawa conference, to the effect that wheat going via American ports should not be accorded the preference?

Mr. BENNETT: This question as framed would seem to indicate that there was necessity for some understanding with reference to the matter referred to. The truth is that all that was necessary under the provisions of the British regulations was that there should be a through transit indicated by the documents accompanying shipments to show that the country of origin was Canada if the grain in question went through the port of New York or any other United States port. So that there is no question of understanding. But I make that statement in order that there may be no difficulty.

Mr. BROWN: If the Prime Minister reads the speech of the Minister of Trade and Commerce (Mr. Hanson) he will see the reason I asked the question.

Mr. BENNETT: I only answered the question according to the facts. I know of nothing else.

SOLDIER SETTLEMENT

Mr. GARLAND (Bow River):

1. How many soldier settlers remain in occupation of lands under the soldier settlement scheme as at January 1, 1935?

2. What was the largest number of settlers occupying land under the scheme?

3. What are the total expenses of the soldier settlement board for the years 1931, 1932, 1933 and 1934?

4. What are the total collections for the years 1931, 1932, 1933 and 1934?

Mr. GORDON:

1. (Soldier Settlement of Canada)—

Soldier settlers	10,892
Civilian purchasers	5,783
British family settlers	2,077
Repaid loans	2,792
	21,544

2. 25,000.

3.

Fiscal year	Soldier land settlement	General land settlement	Investigations for other depts.	Total
1930-31	$1,012,194 12	$288,133 43	....	$1,300,327 55
1931-32	822,474 51	213,000 00	....	1,035,474 51
1932-33	587,325 27	213,000 00	$18,000 00	818,325 27
1933-34	469,692 80	243,000 00	28,000 00	740,692 80

4.

Fiscal year	Amount
1930-31	$2,379,845 70
1931-32	1,765,663 69
1932-33	1,338,725 84
1933-34	1,492,124 36

QUESTIONS PASSED AS ORDERS FOR RETURNS

RELIEF CAMPS

Mr. HANSON (Skeena):

1. What was the total number of relief camps in Canada and in each province on January 31, 1935?

2. What was the total number of men employed in each of said camps by provinces, on January 31, 1935?

Mr. CAHAN: Return tabled herewith.

ROYAL CANADIAN MOUNTED POLICE—NOVA SCOTIA APPOINTMENTS

Mr. ILSLEY:

1. Were any appointments made to the Royal Canadian Mounted Police in the province of Nova Scotia during the years 1933 and 1934?

2. If so, what are the names of those appointed during each of the said years?

FARMERS' CREDITORS ARRANGEMENT ACT—ALBERTA REGISTRARS

Mr. STEWART (Edmonton):

What are the names and addresses of the registrars appointed by the federal government in the province of Alberta under the Farmers' Creditors Arrangement Act?

Mr. RHODES: Return tabled herewith.

RADIO COMMISSION

On the orders of the day:

Hon. W. D. EULER (North Waterloo): Mr. Speaker, I should like to address a question to the Prime Minister or the Minister of Marine (Mr. Duranleau). It is based on a front page article which appeared on Tuesday in the Toronto Telegram, to the effect that the government proposes to abolish the radio commission and to abandon the field of radio broadcasting entirely to private enterprise. I should like to know whether there is any truth in the report.

Right Hon. R. B. BENNETT (Prime Minister): If one were called upon in this house to answer every statement made as to what is contemplated by the government one would be constantly engaged in answering questions, not transacting the business of parliament. As far as I know there is no warrant for the statement in question.

Mr. EULER: You ought to know.

FRASER RIVER—SALMON FISHERY

On the orders of the day:

Mr. THOMAS REID (New Westminster): I have a question to direct to the Acting Minister of Fisheries (Mr. Stirling). Has the attention of the minister been drawn to the announcement made recently in the speech from the throne at Victoria that a reserve for power purposes has been placed on the waters of the Fraser river between Lytton and Quesnel? If so, is the government taking steps to see that the salmon industry is protected, and that no rights are given that would interfere with the spawning of the fish in that river?

Hon. GROTE STIRLING (Acting Minister of Fisheries): The hon. member was good enough to give me notice that he desired to ask a question of this nature. The attention of the department has not been particularly drawn to the matter to which he refers, but in November last the provincial Minister of Lands of British Columbia did write to the Acting Minister of Fisheries explaining that the portion of the Fraser river between Lillooet and Quesnel had been reserved by the lieutenant-governor in council for power purposes. It does not necessarily follow that a dam will be built there. But I draw his attention to the fact that authority for the building of dams across non-navigable waters comes within the purview of the province. The only authority we have under the Fisheries Act is when a dam is being built, or afterwards, to require the construction of a durable and efficient fishway which must be built and maintained by the owner or occupier, the place, form and capacity of which must be approved by the minister. If, however, the dam is of a character to make a fishway not feasible, then the minister may require the owner or occupier of such dam to pay him, from time to time, such sum or sums of money as may be required to construct, operate and maintain such complete hatchery establishment as will, in his opinion, meet the requirements of maintaining the annual return of migratory fish.

EXPORT OF MEAT TO GREAT BRITAIN

On the orders of the day:

Hon. J. C. ELLIOTT (West Middlesex): I desire to direct a question to the Minister of Agriculture (Mr. Weir) arising out of a report appearing in the newspapers the last day or two with regard to the bonus that is being given to cattle raisers in Great Britain. I see by the statement that the arrangement is to be continued limiting dominion shippers

to no more than the average shipments for the corresponding quarter of the past three years. That I take it is the quarter commencing April 1. I would ask the minister what number has been shipped in each quarter commencing April 1, for the last three years, and to let us know whether this may mean a restriction this year below the number that were shipped last year?

Hon. ROBERT WEIR (Minister of Agriculture): The hon. member was good enough to give notice that he was going to ask this question. We were unable to get the imports for the corresponding period without cabling to the old land. All we have is our exports. The information I have is this; the suggested quota covering imports of beef, veal and pork into the United Kingdom from Canada for the second quarter of 1935 is:

	Pounds
Beef and veal..	504,000
Pork..	472,640

RAILWAYS AND SHIPPING

On the orders of the day:

Mr. R. W. GRAY (West Lambton): I desire to ask the Minister of Railways (Mr. Manion) a question. In view of the fact that last year the special committee on railways and shipping did not convene until very late in the session, can he give the house any information as to when that committee will start to sit this year?

Hon. R. J. MANION (Minister of Railways): As a matter of fact I was speaking to the whip yesterday in regard to the appointment of the committee. There is no use in the committee sitting until they have something with which to deal. The report of the Canadian National Railways never gets in until some time after the middle of March, and I have information that it will not be any earlier this year. There will be a bill shortly dealing with the estimates, and as soon as that is introduced probably we shall appoint the special committee; in other words as soon as it has something with which to deal.

PRICE SPREADS COMMISSION

INQUIRY AS TO PRESS REPORTS CONCERNING FINDINGS AND RECOMMENDATIONS

On the orders of the day:

Right Hon. W. L. MACKENZIE KING (Leader of the Opposition): I would ask the Prime Minister if he happens to have seen what appear to be inspired statements that have been appearing from time to time in the press, concerning what we may expect in the report of the price spreads and mass buying commission, their recommendations and the like. I know that the commission is a law unto itself, but it does seem to me that the matter is one that sufficiently affects the privileges of parliament for the Prime Minister to say a word about it.

Right Hon. R. B. BENNETT (Prime Minister): I can only say to my right hon. friend that the inspiration has not come from me. I have no knowledge of any terms of that report in any way. The commission is to report to the minister in charge of the Department of Trade and Commerce, the report to be laid before the governor in council. It is not a parliamentary committee, although it was at first, and was continued by this parliament in the form of a commission. I suppose to that extent at least this parliament looks to it that the first knowledge that is given should at least come to the governor in council. In this case I am in exactly the same position as the right hon. gentleman; all I know of it is what I have seen in the press. As a matter of fact, when I was out of the city I picked up a newspaper and saw the statement as to what the recommendations were, and on inquiry upon my return I found that no report had been made, nor could I find the basis of the statements to which the right hon. gentleman has referred. I shall make further inquiry. But it is a commission reporting to the governor in council and not to this house or this parliament.

Mr. MACKENZIE KING: I assumed that the Prime Minister would disapprove of the commission giving out any part of its report. Albeit it does not report to the house itself, it ought to make its report to the minister.

Mr. BENNETT: I wholly agree with what the right hon. gentleman has said, that any commission appointed by the governor in council should make its report to the governor in council and not give any public intimation of the contents of the report until the governor in council has had opportunity to release the report to the public.

SOLDIER SETTLEMENT ACT

INQUIRY AS TO PROBABILITY OF FURTHER AMENDMENT

On the orders of the day:

Mr. CAMERON R. McINTOSH (North Battleford): I have a question to direct to the Minister of Labour (Mr. Gordon). It bears on the future economic and financial welfare of the soldier settlers throughout Canada. Amending legislation was introduced

in August, 1931, May, 1932, May, 1933 and June, 1934. May I inquire whether or not any amending measure will be presented to parliament this session?

Hon. W. A. GORDON (Acting Minister of Immigration and Colonization): Mr. Speaker, of course I cannot foretell what legislation may come before parliament. If necessity arises and it seems desirable I assume legislation will be introduced, but at the moment I think not.

BRITISH IMPORTS OF RUSSIAN TIMBER

On the orders of the day:

Mr. S. W. JACOBS (Cartier): A Canadian press cable this morning states that the Hon. Mr. Runciman, president of the British Board of Trade, is to make a statement to the British house with regard to the agreement between Timber Distributors Limited and the Soviet government. It also indicates that the Canadian government has protested the agreement to the British government. Inasmuch as that statement will be made to the British house this afternoon could we also have some statement from the Prime Minister so that we can deal with the matter concurrently?

Right Hon. R. B. BENNETT (Prime Minister): Mr. Speaker, I think on reflection the hon. gentleman will see that his question goes slightly too far. As I indicated the other day the position is that the Canadian government, through its high commissioner, had filed a protest against the inclusion of the fall clause in the contract between the Soviet union and Timber Distributors Limited. The result of that protest has not been made known to the government, and I am not in a position to make any further statement than that already made.

UNEMPLOYMENT INSURANCE

MEASURE TO ESTABLISH AN UNEMPLOYMENT AND SOCIAL INSURANCE COMMISSION

The house resumed from Tuesday, February 19, consideration in committee of Bill No. 8, to establish an unemployment 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—Mr. Bennett—Mr. Morand in the chair.

On section 27 (as printed; now section 26) —Determination of questions by commission concerning the rights of persons and appeals to the exchequer court.

Mr. BENNETT: Perhaps before we proceed with this section I should answer certain questions that were asked the other day by the hon. member for Antigonish-Guysborough (Mr. Duff). I have checked with the department of statistics, and the information is that the number of persons over ten years of age gainfully employed in fishing and trapping, according to the actual census figures of June 1, 1931, was 47,917, and the number of persons over ten years of age employed as wage earners in 1931 was 10,421. The explanation given is that on the form of question put by the census enumerator the large number to which the hon. gentleman referred indicated that they had a share or interest in the enterprise.

Mr. VENIOT: That is in fishing?

Mr. BENNETT: Yes, and they were not employed in the sense in which that term was used by the census bureau. Therefore the answer to the first question was that the total number of persons so employed was 47,917, according to the actual figures given on June 1, 1931, in answer to the request made by the census enumerators, but of those people only 10,421 were employed in the sense in which we have been using that term here.

Mr. DUFF: Certainly there must be something wrong in the answers that have been supplied the Prime Minister by the census commissioner or the bureau of statistics. I hold in my hand the report of the Department of Fisheries for last year, signed by the acting minister, and on page 7 I read:

> The total number of persons employed in the industry was 79,328, of whom 65,391 were engaged in catching the fish and 13,927 employed on shore in canneries and fish curing establishments.

The information given by the Prime Minister a moment ago differs from the information with which he was supplied previously.

Mr. BENNETT: No, it is the same.

Mr. DUFF: It differs in one particular. The only information he had previously was that there were only 10,421 people engaged in fishing and trapping. Now he gives us the figure of 47,917. I do not want to be critical because I realize that it is not the Prime Minister's mistake, but I think what has happened is this. It will be noticed that

the figure of 10,421 was for fishing and trapping. My belief is that the fishermen referred to here are those in connection with inland fisheries who are commonly known as the Izaak Waltons of the fishing industry; that is, the fishermen who fish by rod as compared with those who fish by net or line either in the great lakes or the ocean. It appears to me that they have classed them together; this number must refer to the men employed in trapping and in fishing by rod, not in the way we fish, by nets or lines, in the great lakes or in the Pacific and Atlantic oceans. It does not make very much difference; I think there is a mistake, and I think that is proven by the report of the Department of Fisheries which gives the number as 79,328. From my own experience I should think that figure would be more correct.

Mr. BENNETT: I expressed the point that the hon. gentleman has referred to, that the report of the department showed nearly 80,000. As far as I could ascertain that included all persons who were in any way associated with the industry, including those who were concerned with canning, curing and matters of that sort in addition to those actually engaged in fishing. The figure 10,421 is repeated in the statement given to me as being a correct indication of the exact number of persons who, on the first day of June, 1931, reported that they were employed as wage earners in fishing. I think the difference lies in the fact that we are dealing only with wage earners as distinguished from those who had either a partnership or a participating interest in the industry itself.

Mr. DUFF: That is quite possible.

Mr. MACKENZIE KING: The Prime Minister intimated that he hoped to be able to give me a statement as to the number of employees likely to be appointed under this measure, and also a more definite statement as to the cost. Has he been able to get any further particulars under those two heads?

Mr. BENNETT: That information is not complete as yet. I do not propose to ask that the bill be taken out of committee until that information is available.

Paragraphs (a) to (d) inclusive agreed to.

On paragraph (e)—Proviso: appeal.

Mr. MITCHELL: This is the section to which I raised objection the other evening and the Prime Minister said he would permit it to stand so that both sides of the house could study it. I have not changed my opinion in regard to submitting matters of this description to the courts. I believe that when questions of this character are taken to the courts invariably the workingman is at a distinct disadvantage, because the power and financial position of the employer permits him much easier access to the courts as well as the engagement of skilled counsel. I believe the commission itself should be the final court, but if an appeal is to be made to a court I believe that those making the appeal should appear in person rather than by counsel. I do not believe the employers should be placed in the position of being allowed to appeal from the decision of the commission, and to have counsel to represent them. I think they should be there personally to state their positions so that if necessary they might be cross-examined by the representatives of the workers. There have been many suggestions of appeal boards in connection with workmen's compensation, and the labourers of Canada have always opposed the institution of such boards because the worker would be at a distinct disadvantage and there would be brought into the administration of matters concerning workmen's compensation legal battles which in the judgment of the average working man would be to his distinct disadvantage. I should like to oppose sending appeals to the court, in the practical application of this measure.

Mr. BENNETT: As the hon. member knows, in Great Britain it was thought desirable to provide for an appeal. His Majesty in council names a judge who shall take the appeals under the employment insurance act. Usually, in practice, a member of the high court has been designated for that purpose. In this country however that would not be possible because it is not a unitary system of government, so far as the judges are concerned, and we might have varying decisions with respect to the same matter, a condition which would be unfortunate. Therefore we thought we were meeting the situation by providing for an appeal to the exchequer court.

A few days ago I listened with great interest to the statement made by the trades and labour council with respect to this matter, and I gathered that they were of the opinion that if the question of appeal were taken away under subsection (i) of the proviso, then the commission itself might refer to the court any question which was of sufficient importance to warrant a reference being made. I am rather inclined to think that that would meet the difficulty the hon. member has raised, and it seems to me it would be fair

to all parties. If that suggestion meets with his views we would accept an amendment to delete subparagraph (i) leaving it so that:

The commission may, if they think fit, instead of themselves deciding such question, refer the question for decision to the exchequer court.

Mr. MITCHELL: I would move, in amendment, that subparagraph (i) be deleted.

Amendment agreed to.

Mr. BENNETT: Then the letters (ii) will be deleted, also.

Mr. GARLAND (Bow River): May I ask the Prime Minister if under the measure there is an appeal from a ruling or decision of a regional board? I understand there are provisions for a regional board. If there are appeals, do they appeal to the commission, and will the decision of the commission be final?

Mr. BENNETT: If the hon. member has followed the provisions of the first part of section 27 he will observe that the first point to be determined is whether:

Any employment or any class of employment is or will be such employment as to make the person engaged therein an employed person within the meaning of this act, or whether a person is or was an employed person within the meaning of this act.

That goes to show whether or not the employed person is covered by the statute at all; the commission decides that. It is not a question for a regional board to decide or to deal with. Then we come to paragraph (b):

Whether a person or class of persons is or is not, or was or was not, a person or class of persons to whom a special or supplementary scheme under this act applies or applied.

I endeavoured to make clear the other day that that is one of the provisions that was found in section 20, and this is the section which confers upon the commission the exact power to deal with that point. Then we come to any question arising:

(c) As to who is or was the employer of any employed person.

The difficulty may arise when you have certain types of industry operating under the one roof. Then, subparagraph (d):

As to the rate of contribution payable under or in pursuance of this act by or in respect of any person or class of persons or as to the rates of contribution payable in respect of any employed person by the employer and that person respectively.

That is a question to be decided by the commission. So far as I am at present advised those are the only questions, except the matters of operation and administration, with which they have to deal—and not the appeals from regional bodies. The regional body determines with respect to some of the questions covered by regulations in a subsequent section, which probably the hon. member has read. But these questions are all to be settled by the commission. Then we have the question of appeal, which is now being deleted; but the commission may, if it is thought desirable, state a case. Then it will be observed that subsections 2, 3 and 4 determine the principles upon which the commission act. So that, so far as I can answer the question by memory, and having in mind my memory of the subsequent section, the answer would be no.

Mr. MACKENZIE (Vancouver): Would not the words "an appeal" in subsections 3 and 4 be deleted? I understand that the appeal provided in the former subparagraph (i) is being abolished. The Prime Minister will observe that in subsections 3 and 4 the expression "an appeal" appears. Strictly speaking, I believe if the appeal has been abolished, and there is only reference for a decision—

Mr. BENNETT: The hon. member is right.

Mr. MACKENZIE (Vancouver): The words I have mentioned in subsections 3 and 4 should, I believe, be deleted.

Mr. BENNETT: Yes, the hon. member is quite right. We had not reached subsection (3), but we will deal with it. First, however, has the hon. member for Bow River any further questions?

Mr. GARLAND (Bow River): Yes. The view expressed by the Prime Minister respecting paragraph (a), (b) and (c) of section 27 is very clear. Obviously the commission would decide in those cases. I am not quite clear however as to the functions of the advisory board or the regional boards, if the commission itself is to set up the rate of contribution payable and to decide definitely in those matters. Further, I am not satisfied as to whether it will have the final say as to whether a worker was or was not employed. What are the functions of the regional boards? Are they simply to act as agents for the commission? Can an appeal be made to the commission from a decision of a regional board, in connection with these matters?

Mr. BENNETT: My answer to that was no, that the advisory board does not exist for the purpose of deciding in all these matters.

Its functions, as will be observed later, in the section establishing it, are entirely different. As to the regional board, it is what I might call a local or domestic body which exists for the purpose of dealing promptly with problems arising within the region. So far as my memory goes there is no provision for appeal to the commission from a regional board. Rather, the regional board gives any information which may be obtained for the purpose of enabling a decision to be made on any local matters. The decisions are the decisions of the commission and not of the regional board. That is my recollection. However, as we proceed, if I find anything which will change my view I will point it out to the committee.

Then, with respect to subsection 3—

Mr. NEILL: Before the Prime Minister proceeds to discuss that subsection I should like to make some observations. The Prime Minister proposes to strike out subparagraph (i), on the suggestion of the hon. member for East Hamilton (Mr. Mitchell). The object the hon. member had in mind, as I understood it, was that of shortening the procedure and preventing undue expense. It seems to me however that the procedure suggested by the Prime Minister will not have the effect of shortening the procedure, but will take away from the worker the privilege of appealing, and will leave the factors of expense and delay. The commission may refer questions for decision to the exchequer court, involving exactly the same delay as if the man himself had appealed. The exchequer court sits only at intervals, and it is 3,000 miles from the Pacific coast, there will be the same trouble and delay to the man, whether he or the commission appeals. I would respectfully suggest that the commission's decision in these matters—matters which after all are mostly of a personal nature, such as that of deciding whom a man's employer may be—should be final. I would suggest that instead of saying as it does in paragraph (ii) that the commission may, instead of themselves deciding such question, refer it for decision to the exchequer court, it should be merely left in such a way that if there is any question of law on which the commission want guidance they can themselves refer it in a general way to the exchequer court. But questions of fact, such as whether Tom Jones is the employer of Bill Smith, should not be thrown into the delays of the exchequer court.

[Mr. Bennett.]

I would also point out that section 28 seems to provide a ready procedure for having any appeal and also what I would call a regulated sequence from one body to the other. So why is it necessary to have a sort of parallel procedure under section 27?

Mr. BENNETT: The question as to whether or not under any circumstances there should be a judicial determination of any issue arising under this act is the question that has to be dealt with. I think it will probably be agreed by all the members of the committee that it is desirable for the purpose of removing doubt and maintaining uniformity that there should be a provision for a judicial determination of certain questions that create difficulties and sometimes are of great moment to the insured. We say that there shall be no appeal from the commission against any of its decisions, thereby meeting I thought the views which were expressed by the trades and labour council and the fears expressed by the hon. member for East Hamilton; that is, that the insured should not be put to the trouble and expense of having to deal with questions of litigation and the employment of counsel. But we do provide that the commission may, if they think fit, instead of themselves deciding such question, refer it for decision to the exchequer court.

Mr. NEILL: That will put the man to the same expense as before in presenting his case before the exchequer court. It makes no difference whether the man initiates the appeal.

Mr. BENNETT: Very much difference, because in that case the commission would assign counsel, if they follow the usual practice, to argue the point, not on behalf of the commission, because the commission has not arrived at any decision, but the question to be decided is how the matter shall be decided. That is a question of law, not of fact.

Under clause 4 we provide that the governor in council may make regulations prescribing the procedure governing appeals under this section and those regulations should provide for limiting the time within which appeal or reference may be brought, and for the determination in a summary manner of any such appeals or references and for requiring notice of any such appeals to be given to the commission. The commission merely makes a reference and I would assume that the course usually followed would be followed in this case; that is, that counsel would argue, not on behalf of one class or the other but as to what should be the interpretation of the law.

Mr. NEILL: That would entirely meet my ideas if it were on a question of law, but when it is a question as who is or was the employer of such and such an employee, is not that a question of fact?

Mr. BENNETT: I am sorry it is not. It is a question of law.

Mr. NEILL: As to whether I employed Bill Jones on a certain day or at a certain period?

Mr. BENNETT: It might be a mixed question of law and of fact, but ultimately on the facts it would be a question of law.

Mr. MACKENZIE (Vancouver): It might be either.

Mr. HEAPS: In a bill of this kind I think it is desirable to get away from the court if we possibly can. I think that in a large number of years of experience in the administration of workmen's compensation law it has been found on all sides that it is a desirable thing that the board in charge of the administration of workmen's compensation legislation should always give the final decision, and the board's decisions have usually been accepted by all parties to the case. Now if we are going to appoint a commission which I presume will be comprised of very capable men, I myself would be quite content to allow the commission to be appointed to take full responsibility for the administration of the act, for if we are going to have beyond this proposed commission the exchequer court which is going to give interpretations of law, and possibly decide questions of fact as well, I can see that it is quite possible that the commission as a matter of shelving their responsibility may be only too anxious to pass it on to the exchequer court. So if it were possible I would far sooner see the principle adopted in this act that has been adopted in practically all workmen's compensation acts, and make the commission entirely responsible for the whole administration of this act.

Mr. MacINNIS: I wish to concur in everything that has been said by my hon. friend from North Winnipeg (Mr. Heaps). One member of the commission is to be appointed after consultation with the employers, and another member after consultation with employees or employee organizations. That being the case, the point of view of the two classes is represented. But if there is to be an appeal to the court, although it is generally accepted that the courts of this country are eminently fair, yet after all the employees will feel that they have no particular representative in the courts, and for that reason I am sure it would be much better to leave the final decision except on points of law with the commission. I am sure that that would be much more satisfactory to the employees. As has been pointed out by the hon. member for North Winnipeg many attempts have been made in the past to secure appeals from decisions of workmen's compensation boards, and these have always been opposed by the workers. They have been willing rather to have the compensation board, whether they are composed of men with or without legal training, make the final decision in every case.

Mr. GARLAND (Bow River): Paragraph (ii) which still remains in the bill reads:

> The commission may, if they think fit, instead of themselves deciding such question, refer the question for decision to the exchequer court.

Since we have deleted paragraph (i) it is very clear that the only appellants to the exchequer court under the provisions of this bill will now be the commission itself, and there is a danger that that provision may be misunderstood or misrepresented. I think for the sake of the commission, as well as for the sake of the operation of the act it would be just as well if there were no appeal rather than leave it on a one-sided basis like this because the power of the commission to refer the question for decision to the exchequer court really means that they have power to pass the buck to the exchequer court, and there is no doubt whatever that there will be the greatest temptation in the event of conflict between employer and employee to do just that very thing and escape responsibility. I believe that hon. members who represent labour distinctly in this house have raised a mighty good point, and that all appeals to the exchequer court should be eliminated.

Mr. BENNETT: As the act as printed came to the house it provided that either party aggrieved might make an appeal. The hon. member for Bow River is in error in suggesting that as it now stands, the committee having deleted paragraph (i), the commission would be the appellant. It is to prevent that, that the section reads as it does. It is not an appeal that is taken; it is the statement of a case for the opinion of the court. Under our Summary Jurisdiction Act magistrates have the right to state a case of law for the opinion of the court, and that is frequently done.

Mr. NEILL: On request, is it not?

Mr. BENNETT: Yes, on request, and sometimes I think they have the right to exercise their own judgment in the matter. But the question that is at issue is whether there shall be a judicial interpretation of the legal implications of this act. To say that there should not be because there is not in the workmen's compensation acts is to overlook the fact that in many cases actions may be brought for damages regardless of the workmen's compensation act, and in that connection you still have litigation against corporations carried in many instances to the court of last resort to have determination of the law. It would seem to me, if there is any doubt about this provision being against the interests of the workmen, that we might do this. In paragraph (ii) we say that the commission may, if they think fit, instead of themselves deciding such question, refer the question for decision to the exchequer court. He might rewrite that and provide that the commission may refer any question of law for the decision of the exchequer court. That would obviate any difficulty such as that to which the hon. gentlemen have referred. I think the commission should be able to determine any question of fact as well as any other body in the world. If the hon. gentleman will let the rest of that subsection stand I will redraft it and provide that it shall apply only to a question of law, and then the commission themselves will decide whether or not that question of law is of sufficient importance to be referred to the exchequer court for an opinion. That will relieve the workman of having to argue the case either as appellant or as respondent, placing the onus on the commission of bringing to the attention of the exchequer court the point of law at issue, and leaving it to the court to decide what it may be. There is no appellant involved when there is a reference to the court.

Mr. MACKENZIE (Vancouver): I suggest that subsections 3 and 4 stand.

Mr. BENNETT: Yes.

Mr. JACOBS: Has the Prime Minister considered the question of costs before the exchequer court? I know it is a somewhat luxurious court.

Mr. BENNETT: In fact, the hon. gentleman knows it indicates that.

Mr. JACOBS: Well, that is a euphemistic way of putting it. If the question arose as to the payment of costs by the insured it would be a case of the game not being worth the candle, because the amount involved in these insurance matters is usually small compared to the costs in a court of that kind, which usually sits in Ottawa where expensive counsel are engaged as a rule, and so on. It does seem to me that if the case is to go to the exchequer court some provision should be made whereby the commission in its quality as such should bear the costs, and not the parties involved.

Mr. BENNETT: That is exactly the position in which it stands at the moment. The hon. gentleman did not perhaps follow the discussion that has taken place. We have eliminated the appeal of either party and have provided that the commission may state a case in law, if there is such, for determination by the court, which of course involves the commission presenting a case to the court. No costs can be awarded against anyone, and if it is thought desirable by any body of employees that they should be represented, of course the court always provides that they can be heard. As it stands, the very difficulty which the hon. gentleman properly points out will be met. I agree with him, although I have not had the same experience in the luxury of that court which the hon. gentleman has had.

Mr. HEAPS: I suggest that when the Prime Minister reconsiders these clauses the question should be considered whether it would not be wise to abolish all appeals beyond the commission. I say that for this reason. The moment you start to refer questions of law to the exchequer court and questions of fact to the commission there will arise a fine distinction as to what is law and what is fact, and sometimes the line of demarcation is so thin that it is hard to determine which is the one and which the other. There is one other question I would refer to and that is as regards the workmen's compensation act where individuals still have the right to resort to the common law. But it is also a fact that when a person entitled to compensation for injuries sustained resorts to the common law he forfeits all rights through the workmen's compensation act. That is embodied in all the acts. What I wish to impress upon the Prime Minister however is the desirability, when he reconsiders these clauses, of considering the question, after consultation with those who are responsible for the drafting of the bill, of abolishing all appeals beyond the proposed commission.

Mr. BENNETT: I am sorry I cannot adopt that view. There are three parties to the creation of this fund. It is a national fund created by contributions, enforced by this statute, from the employer, the employee and the state; and on a question of law, involving the question of liability, it is desirable that there should be a determination of that question of law in some instances by a judicial tribunal. In England there has been no modification of that feature since 1920, so far as I can find, and I speak subject to correction; I see no notice given in any of the books of any complaints made with respect thereto. The provision in England is that the question may be decided on appeal by the high court, or that the minister may refer it to the high court, and the other subsections in the English act are provisions that are incorporated in our act except with respect to the terminology that is to be used in dealing with the question of jurisdiction in England as compared with Canada. I cannot conceive that any difficulty could arise or any injustice be done to those who are interested in the proper administration of the act; and now, having removed the possibility of appeal, it seems to me that we have placed the matter on a basis on which every citizen has a right and the state has a right to have the words that are used in the statute judicially interpreted for the purpose of determining exactly what they mean in their context and with relation to other parts of the bill. I am sorry I cannot accept the suggestion of the hon. gentleman, but I think I have gone a very long way in meeting his views by limiting it to a stated case on a point of law.

Section stands.

On section 28 (as printed; now section 27)—Insurance officers.

Mr. NEILL: It seems to me there is no provision made for paying the insurance officers.

Mr. BENNETT: That is covered.

Mr. NEILL: Section 29, subsection 5, provides that the commission may pay such remuneration to the chairman and other members of a court of referees, and such other expenses, and so on; but I see nowhere any provision that the insurance officers shall be paid. These people are not appointed by the civil service commission and they do not come under section 8.

Mr. BENNETT: The hon. gentleman has overlooked the provision that the commission may employ such officers and clerks as may be necessary.

Mr. NEILL: That is section 8, which provides that such persons shall be under the civil service commission, but these men are not.

Mr. BENNETT: They do not all have to be under the civil service commission. Section 8, subsection (2) provides:

> For the purposes of any investigation, or for any other purpose of this act, the commission may, subject to the approval of the governor in council, from time to time temporarily employ such persons of technical and professional attainments as the commission may deem necessary.

Mr. NEILL: But these insurance officers will not be temporary. They will not be employed by the commission. This section which we are now considering provides that the commission may in each regional division employ such number of persons as the governor in council may approve, to be insurance officers for such division. I submit that they do not come under section 8.

Mr. BENNETT: It would not be necessary to provide specifically for their being paid because the act makes such provision. however, if there is any doubt we can look into it.

Mr. MACKENZIE (Vancouver): Has any estimate been made of the number of insurance officers that will be required?

Mr. BENNETT: That has not been done yet.

Subsection (1) agreed to.

Subsection (2) agreed to.

On subsection (3)—Umpires, and deputy umpires.

Mr. McINTOSH: Is there one umpire or more than one?

Mr. BENNETT: It is provided in subsection (3) that the governor in council may, from amongst the judges of the exchequer court of Canada and of the superior courts of the provinces, designate an umpire and such number of deputy umpires as may be deemed necessary. There will be one umpire and such deputy umpires as may be necessary for the purposes of the act. This is taken largely from section 12 of the English act of 1920.

Mr. McINTOSH: Will there be one umpire for each regional section or for the whole of Canada?

Mr. BENNETT: One for each regional section.

Mr. NEILL: Is it necessary to have a distinction made between umpire and deputy umpire? There does not seem to be a distinction between the duties of the umpire and the deputies.

Mr. BENNETT: As the hon. gentleman knows, the precaution is taken to provide that in case an umpire is ill he may remain an umpire and a deputy umpire would act. We have such a provision in every office from the highest down to offices of much less distinction in the state. It is always desirable to make provision for maintenance of continuity. A man might not be so ill as to necessitate the relinquishment of his duties, but on the other hand it is desirable to have someone act as deputy during the time he is temporarily incapacitated. That is the general rule.

Mr. NEILL: I could understand that, if the provision were for appointing a number of umpires. But the governor in council is to designate an umpire—that means one—and such number of deputy umpires as may be deemed necessary. if the deputy umpires have to do certain duties and then a report lies from them to the umpire, I could understand the situation, but there is no provision for the umpire doing anything different from the ordinary duties of the deputy umpires. It would seem that the office of the deputy umpire is not necessary. Why not say:

Designate such number of umpires.

Mr. BENNETT: The only explanation I can give, having reference to the English act, is that this is done for the purposes indicated:

The governor in council may, from amongst the judges of the exchequer court of Canada and of the superior courts of the provinces of Canada, designate an umpire and such number of deputy umpires as the governor in council may deem necessary for the purposes of this act, and, subject to the provisions of this act, may prescribe their jurisdiction.

This bill as it stands at the moment, copied from the provisions of the English act, provides for three separate estates in considering claims: the insurance officers; the courts of referees and the umpire. To that extent it follows the general provision of the English act. The number of insurance officers rests with the governor in council depending upon the necessities of the case, and the appointments rest with the commission. That is a case in which the commission makes the appointments. It is the intention that there should be at least one insurance officer at each employment office, one or more at each divisional office, with of course the staff that has to be maintained at the capital where the commission will reside. This staff and machinery we confidently believe will provide uniformity of practice and procedure in dealing with cases and claims that may come, so that we may have the same sort of practice in British Columbia as we have in Nova Scotia. If there is any doubt about the matter—I have looked at the English act and I have looked at my own notes with respect to it—the clause may stand, and if on looking into the matter further there seems to be any necessity for clarification, I shall see that the necessary steps are taken.

Mr. ELLIOTT: What is the difference between the duties of the umpire and those of the deputy umpire?

Mr. BENNETT: None whatever.

Mr. ELLIOTT: Then, why would it not do just to say:

Designate such number of umpires.

Mr. BENNETT: That is what the hon. member for Comox-Alberni has just been saying, and I said that it follows the English act of 1920, section 12, which provides for the appointment of one or more deputy umpires. Presumably the draftsman has taken that from that section, as my notes indicate. The clause may stand and if there is any reason for change that I have not seen, I will redraft the clause.

Section 28 (now section 27) subsection 3 stands; remainder of section agreed to.

On section 29 (as printed; now section 28) subsection (1)—Court of referees.

Mr. MACKENZIE (Vancouver): How many courts will there be? Will there be one in each divisional area or one central court?

Mr. BENNETT: Necessity is usually the governing factor with respect to that. The provisions of the measure are broad enough to permit of the widest possible establishment of courts to enable claims to be dealt with without delay and on the spot so to speak. I use the term "on the spot" in its proper sense.

Mr. HEAPS: These courts of referees will not be a permanent body; they will be appointed from time to time as the occasion warrants. Am I correct in that interpretation?

Mr. BENNETT: I would think the bill as it now stands does not contemplate the changing of the courts of referees as one proceeds; they will have to deal only with cases as they arise. The clause reads:

A court of referees for the purposes of this act shall consist of one or more members chosen to represent employers, with an equal number of members chosen to represent insured contributors, and a chairman appointed as provided in the next preceding section of this act.

That is to enable them to deal with cases that may come before them under the provisions of the measure. I do not think their duties will cease when they have dealt with the number of cases immediately before them, but they will be a continuing body.

Mr. SANDERSON: Will it be a travelling court that will move around from point to point?

Mr. BENNETT: I explained some days ago that the bill contemplated dividing the country into districts and within the districts are established facilities to enable cases to be handled with the greatest promptitude and the least possible delay. If it were less expensive for the court to go to a point where there was a considerable number of cases, the court could do so. There is no limitation on their doing so. That is the shortest way to put the matter.

Mr. BOTHWELL: Am I right in assuming that under the clause there would be a chairman of the court of reference for each divisional district, but there may be as many courts set up in various districts as circumstances require?

Mr. BENNETT: That is what I was trying to say.

Subsection (1), agreed to.

On subsection (2)—Panels of members of courts of referees.

Mr. NEILL: What will be the procedure for selecting the panels?

Mr. BENNETT: Once more I would say, having regard to the practice in Great Britain, if a court of referees were fully engaged at one spot, the procedure would be that you would take from the panel an additional number for the purpose of setting up another court to deal with problems that might arise there.

Mr. NEILL: But as to the constitution of the panels themselves?

Mr. BENNETT: That is a matter, as will be seen, between the employers and the insured contributors. The commission sets up the panels after they have arrived, I take it, at conclusions as to those who suitably represent employers on the one hand and insured contributors on the other. That was the purpose as will be observed in every part of this measure. Outside the appeal to which I have referred and which is no longer an appeal but merely a reference to an exchequer court, this measure is simply one administered by the employers and employees, and they themselves determine who shall be their representatives for the purpose of seeing that it is properly administered, the commission of course being the governing body. The duty is thrust upon the commission of seeing that "the panels of persons chosen to represent employers and insured contributors respectively shall be constituted by the commission for such districts," just as the hon member for Swift Current said a minute ago, "for such trades or groups of trades as the commission may think fit, and the members of a court of referees to be chosen to represent employers and insured contributors shall be selected from those panels in the prescribed manner."

The next clause reads:

Subject as aforesaid, the constitution of courts of referees shall be determined by regulations under this act.

That is the next branch. That is where the regulations come in. The provisions as to procedure are only a matter of detail.

Mr. NEILL: I cannot say that I like that system. It seems to lend itself to political influence.

Mr. BENNETT: How?

Mr. NEILL: Because the commission which is a politically appointed body may, to come right down to it, nominate these people. It is all very well to say that they shall represent the employers, but it is not the employers or the contributors who are to do the choosing; it is the commission. The panels are to be constituted by the commission not by the employers and the insured contributors. They are merely some persons who in the opinion of the commission suitably represent the employers.

Mr. BENNETT: That is true.

Mr. NEILL: This seems to me to lend itself to a selection by the commission of such persons as suit them. This may not be on a political basis; it may be simply the class of people

who will suit them and still be all right, but it is not left to the employers and the insured contributors to make their choice. If it were left to them, I would be quite satisfied, but it is not.

Mr. BENNETT: I tried to explain a moment ago that the responsibility rests with the commission for the administration of the legislation. If the hon. gentleman approaches the question from the standpoint of assuming that it is a political commission, obviously his conclusions are warranted. If, on the other hand, he concludes, as I think he should, that the commission is appointed by employers on the one hand and employees on the other and just as the representatives that go to the international labour organization, represent employers and employees and the question of politics obviously cannot be a governing factor in the matter, then I submit the commission cannot, with the conditions imposed, make selections for political or any other reasons than that the people selected represent on the one hand employers and on the other employees, called in this measure contributors.

Mr. HEAPS: If I understand this correctly, it would appear employees and employers would both give to the commission a number of names for the regional board and those names so submitted would be called a panel. From this panel the names would be chosen by the proper authorities. Under those circumstances I am not afraid of any political considerations creeping into the appointments of the referees.

Mr. NEILL: But the trouble is that the hon. member is assuming something that is not in the bill.

Mr. MITCHELL: I do not think there will be any danger of any political interference, because the matter rests squarely on the people involved in the legislation, that is the employers on the one hand and the employees on the other. If I know the employers and the workmen of this country, they will see to it that there is no politics in the administration of this measure, because if politics gets into it, good-night to actuarial soundness. That is so obvious. I think it is one of the most important features of the bill that the employers and employed are given responsiibility for its successful administration.

Mr. NEILL: I admire my hon. friend's confidence.

Subsection 2 agreed to.

Subsections 3 and 4 agreed to.

[Mr. Neill.]

On subsection 5—Remuneration of chairman and members; expenses of persons required to attend.

Mr. DUPUIS: I would like to ask the Prime Minister if he has in mind or if the experts of his department have figured the approximate cost of administration of this act. I understand there will be districts; I do not know if they will correspond to our judicial districts or if they will be smaller. We do not know what will be the salary or indemnity of the insurance officer, referee or umpire. I think it is most important to know what the salaries of all these officers will be, and what the administration of this act will cost.

Mr. BENNETT: Perhaps the hon. member was not in his seat on the occasion when I explained that the English act had involved an expenditure for administration of substantially 12½ per cent of its revenue. They have a population of 40,000,000, and a very large proportion, numbering millions, come within the operation of their act. I indicated that if the sum total of the fund in any one year amounted to $42,000,000, which might be a proper estimate, the administration cost might be as high as 15 per cent in the first years. But as it is now framed it is clear that it will be very much less, because it will take nearly two years for the act to become effectively efficient, if I might use that term. So it is impossible to state with any degree of certainty what the cost of administration will be. It is not intended to indicate in the act what the commission should pay in the discharge of its functions. The amount that might be expended for witnesses, for instance, would be presumably what the witness would usually earn in the day he had to attend this tribunal. That must be left to the commission to determine by regulation. It would be idle for parliament to endeavour to deal with a matter of that kind relating to all parts of Canada, because conditions vary and would affect the terms of the regulation. Obviously there must be a large measure of discretion left with the commission in such matters.

Mr. HEAPS: Perhaps the Prime Minister could say whether the 12½ per cent in Great Britain relates specifically to that part of the act dealing with unemployment insurance alone, or whether it includes the other forms of insurance in Great Britain.

Mr. BENNETT: I am glad the hon. gentleman directed attention to that feature, because the act dealing with unemployment insurance in Great Britain deals also with the matter of assistance. The figure I have given covered broadly and generally the cost of

administration of the act before it was amended in 1934. That is my information. It will be recalled that there are special provisions with respect to the expense of administration of other parts of the act down to the first unit and the individual in the parish. From that up there are special provisions in the act. I am talking now of the broad general cost of administration.

Mr. HEAPS: Then I am correct in assuming that the cost of administering the act by itself in Great Britain, apart from any other insurance in Great Britain, was approximately 12½ per cent over the period of five years prior to the amendment of the act?

Mr. BENNETT: That is my information. Has the hon. gentleman any reason to think that the figure is placed too low or too high?

Mr. HEAPS: No, I was asking as a matter of information.

Mr. DUPUIS: Perhaps I might cause the Prime Minister to repeat himself, but is it understood now what the limitation of these districts throughout the country will be? Are they to be the same as the judicial districts? Of course, as I might say before a court of justice, I am asking these questions without prejudice to my belief that this legislation will be of no avail. I discuss it now perhaps in the same spirit as that in which the Prime Minister brings in the legislation, with the thought in the back of my mind that it is unconstitutional, that it will never be put into effect, and that it is only for political purposes. Nevertheless as we have to discuss it, and as we Liberals are ready to let the right hon. gentleman and his followers get out of the difficult situation in which they find themselves, it is proper for us to know in what way such legislation will be applied in the country. The right hon. gentleman said the cost of witnesses could not be dealt with here but should be left to the commission. First, who will appoint the commission? Of course it will be the governor in council, so we might have a suspicion that it will be a little bit partisan. We cannot criticize the government for doing that, it is only human nature and especially the nature of the right hon. Prime Minister. I heard him last year—

The CHAIRMAN (Mr. Morand): We are on clause 5, will the hon. member confine himself to that.

Mr. DUPUIS: Mr. Chairman, I am discussing it very properly I submit. I just want to come to the point. Sometimes it takes a little while to come to the point, especially when we are not as clever as some of those on the other side. Last year, speaking in connection with redistribution, the right hon. gentleman said, "Do you believe, Mr. Speaker, that we the Conservatives, are going to make those electoral divisions safe for the Liberals."

The CHAIRMAN (Mr. Morand): Surely the hon. gentleman knows that has nothing to do with this bill.

Mr. DUPUIS: So I believe—

Some hon. MEMBERS: Order.

Mr. DUPUIS: I am quite in order. I believe and I submit that the commission, being named by the governor in council, naturally will be induced to name partisans of the present government to these positions, and decide what salary will be paid. Surely we ought to know from the Prime Minister, who is one of the members of the privy council, what the salaries of these officers will be. I think he should have a word to say about that; I think the country has a right to know the approximate cost of administration. I do not think that should be given in a lump sum because, as one of the hon. gentlemen to my left has said, the 12½ per cent in England included some other costs with regard to the administration of insurance in general. To say the cost will be 12½ per cent does not give a very definite picture to the house and the country as to the cost of administration. We do not know the total, so we cannot know the percentage. I submit that we should know approximately the cost of administration so far as the wages of these officers are concerned.

Mr. MacINNIS: Mr. Chairman—

Mr. DUPUIS: The first thing I want to know is what will be the limits of the districts, and the second is what will be the approximate wages of the insurance officers, referees and so on.

Mr. BENNETT: It will be within the memory of those members of the committee who were present when the matter was discussed that this question already has been considered.

Mr. DUPUIS: And decided?

Mr. BENNETT: One of the leaders of the hon. gentleman who has just spoken—apparently he has many—asked whether or not we had formed any estimate as to what might be regarded as a reasonable salary, and I answered that question. There is no salary provided in the bill; such salary will be paid as may be necessary to ensure a competent

person for the position of commissioner. Of course I cannot hope to argue the hon. gentleman into a state of mind at variance with his present expressed convictions, but if he will do me shall I say the honour of reading the section of the act he will find that provision is made as to the selection of the commissioners. Whatever may be the rights of the governor in council with respect to the appointment of most commissioners, there is a distinct limitation upon the power of the governor general in council in this statute, a limitation that it seems to me is a very important one, for the two contributing parties, the employer and the employee, are to have representatives on the commission. It is the function or duty of the governor general in council to ascertain from the representatives of those bodies, called the employers on the one hand and the employees on the other, as to who shall be their representatives on the commission. The governor general in council, as representing the state in this instance, will be responsible for the selection of the chairman, or the third member of the commission.

So I have answered this question I think for the fourth time. I am not at all impatient about it, but if hon. gentlemen stay away and after sections have been passed come back and ask that we should review all that has gone before it makes it difficult to transact the business of the house. The other day I pointed out that such numbers of districts would be created as might be necessary for the purpose of administering the act. It would be perfectly useless to create districts in communities where there was no industrial life and no insurance. Equally it becomes necessary to create such numbers of districts in industrial commodities as will serve the interests of those who may be concerned, with the least inconvenience. As to the number of insurance officers, referees, umpires and others who may be necessary efficiently, effectively and promptly to administer the act, to-day no man can answer that question. That must depend upon circumstances such as geography, location, ease of communication and matters of that kind. All these must be taken into consideration, just as in connection with old age pensions it was quite impossible to lay down in detail the method or manner in which an individual living at this point, that point or another point might be dealt with. Those charged with responsibility must be taken as capable of exercising that responsibility in the manner and form by the statute provided. That is all I can say. I have already promised the right hon. leader of the opposition that before the bill is taken out of committee I shall endeavour to give some estimate of the number of employees that might be necessary for the purpose of administering the act, including the labour exchanges to which we attach very considerable importance. Some effort has been made in that direction already and, as I say, before the bill is moved out of committee I trust that I shall be able to furnish that information.

I believe that answers all but one of the questions asked by the hon. gentleman. His other question was whether the boundaries of the districts would coincide with those of the judicial districts. The answer would be that they might or they might not. There is nothing in the act to impose upon the commission the necessity of making the boundaries coincide with those of judicial districts, and on the other hand there is no reason why they might not.

Mr. MacINNIS: Some of us in this corner of the house would like to know if the hon. member for Laprairie-Napierville was speaking officially when he said the Liberal party were supporting this act just because they thought it was unconstitutional.

Mr. DUPUIS: I am ready to answer the hon. gentleman. I did not make any such statement. I am speaking for myself, and in doing that I believe I have enough to do.

Some hon. MEMBERS: Oh, oh.

Mr. DUPUIS: I believe hon. gentlemen on the other side who laugh have too much to do to speak for themselves. But it is my own conviction that the right hon. gentleman is doing this because he knows that the law is unconstitutional.

Mr. BENNETT: Mr. Chairman, the hon. gentleman is compelled to withdraw that observation. I am a very patient person when I am dealing with a bill in committee, but under the rules of this house he is not permitted to say that I know this bill is unconstitutional.

Mr. DUPUIS: That is the opinion the Prime Minister has already stated.

Mr. BENNETT: I have already stated that I believe it to be constitutional; if it were not that I so believe it would not have been submitted to this house. The act does not wait to come into operation; it comes into operation at once, when it is assented to. Therefore I should like the hon. gentleman to conform to the rules of this house and withdraw that observation.

Mr. DUPUIS: I am ready, Mr. Chairman, to withdraw that statement. I submit myself to the rules of the house because I am in the house.

Mr. BENNETT: And I should like to say that if the hon. gentleman feels that way about the bill he should have voted against the second reading of it. I shall endeavour to provide him with the opportunity, on the third reading of the bill, of recording his vote against it.

Mr. NEILL: I should like to ask just one further question with regard to subsection (5). Is the right hon. Prime Minister satisfied that it is wise to leave the remuneration of these subordinate officers to the commission? Would it not be well to retain some control by approval of the governor general in council? Commissions have sometimes been known to get the bit between their teeth and run away with themselves.

Mr. BENNETT: That is a fair question, but it is one that is difficult to resolve in the manner the hon. member indicates. I think he will agree that if we have confidence enough in the commission and place upon them these great responsibilities they must be left with minor responsibilities, under regulations. I think there is power in the regulation clause to limit any possible extravagant exercise of power.

Mr. ELLIOTT: Does the Prime Minister consider that subsection 3 of section 29 would give the commission power to make regulations regarding the remuneration to be given to employees? I would not understand that to be so. If not, is there any supervisory power over the commission? Should there not be some approval given by the governor in council to the scale of remuneration?

Mr. BENNETT: The hon. gentleman will observe the measure provides that the widest possible powers, in the matter of making regulations, shall rest with the commission. The governor in council must approve of such regulations before they become effective. Therefore I take it any government will see to it that the very difficulty to which the hon. member for Comox-Alberni has directed attention and about which the hon. member for West Middlesex has now spoken will be met and provided for. That is at least the purpose of the broad provisions made with respect to regulations, namely that the power of the commission to exercise the administrative functions for which it is created shall be exercised with the least possible restraint, and that there shall be restraint with respect to expenditures beyond which they should not go as provided by regulations passed by the governor in council.

Mr. ELLIOTT: That is the point. I have read carefully the power given to make regulations, and I question very much if the fixing of the fees to be paid to these various officers coming under the subsection would properly come under the heading of regulations. I do not wish to labour the point but it does seem to me that whatever fees are paid should be approved by the governor in council.

Mr. BENNETT: In his last observation the hon. member directed attention to a matter of some importance. It would be quite impossible to administer the measure effectively if one had to send to Ottawa to get the approval of the governor in council for everything done. Paragraph (j) of section 38 states that the commission may also make regulations "generally for carrying this act into effect." I think the hon. member will agree that the construction placed upon words as broad as those is perfectly clear. I believe we could use the words "anything that may be necessary for the purpose of making the act effective." I have referred to page 28 in the bill, paragraph (j).

Mr. ELLIOTT: I understand that, but I would call the Prime Minister's attention to the fact that that does not alter the situation, unless the power to make regulations includes the power to fix the scheduled fees or to pass upon the salaries which will be fixed under subsection 5. I would call the Prime Minister's attention to these words appearing in section 38:

> In addition to the authority otherwise conferred upon the commission to make regulations under this act, the commission may also make regulations;
>
> (j) generally for carrying this act into effect.

Those are the regulations. But if it is intended to include the power to fix the fees or salaries paid under subsection 5 of section 29 I would suggest that those powers be made subject to the approval of some body, either the governor in council or some other body.

Mr. BENNETT: Well, I cannot add anything to what I have said. If this commission is fit to exercise the great powers conferred upon it by this measure, then it surely must be fit to exercise the power conferred upon it by subsection 5 of section 29,

and to determine the reasonable fee to be paid in a particular case which may come before it.

Subsection 5 agreed to.

Section 29 agreed to.

On section 30—Claim procedure.

Subsections 1 and 2 agreed to.

On subsection 3—Insurance officer may disallow claim or refer to court of referees.

Mr. ELLIOTT: I assume that when an officer allows a claim, that is final.

Mr. BENNETT: Yes.

Subsection agreed to.

Subsections 4 to 9 inclusive agreed to.

On subsection 10—Decisions of umpire final.

Mr. DUPUIS: Since under the amendment to which the right hon. gentleman agreed there will not be any appeal to the exchequer court therefore there will be no right of appeal, except by the commission.

Mr. BENNETT: No; the hon. member has not quite followed. Perhaps owing to a noise in the chamber he has been unable to hear. The appeal with which I dealt was an appeal to the exchequer court which would be limited to questions of law, arising under the provisions of the section to which we were referring earlier in the afternoon, namely, section 27. As it now stands the limitation is provided that the commission may, if it thinks fit, instead of deciding such a question, refer it to the exchequer court for decision. That however has nothing to do with the provisions of this section which deals entirely with claim procedure. I may say the experience in Great Britain has been that there are now fewer appeals in matters of this kind, because the insurance officers are more familiar with the situation. I do not say they claim as a matter of course, but when conditions are complied with the claim is allowed. If however there is difficulty in allowing the claim it may reach the umpire, and when it reaches the umpire there is no further appeal. That is final. That is not an appeal such as was provided for in section 27, which was an appeal with respect to matters distinctly limited under that section. This section deals only with procedure in connection with the adjustment of claims.

As the hon. gentleman is a member of the legal profession, I shall put it to him this way: If a client came to him with an accident insurance policy containing the usual provision that under a certain arbitral clause that would be a final adjudication, he might avail himself of that clause and dispose of the matter. But on the other hand there might be a question of law as to whether or not the accident in question was an accident contemplated within the provisions of the policy. In such an event, and applying the principle to this measure, we made the provision originally that there should be an appeal. That is now taken away however, and if the commission decides that—going back to the hypothetical case—as a matter of fact the accident in question was an accident contemplated within the terms of the policy, that settles the matter, there is no appeal and the adjustment is complete. But if on the other hand the commission is doubtful as to whether or not this accident—I shall call it an accident—this circumstance did or did not constitute an accident within the policy, then they have a right to submit the question to a judge of the exchequer court for determination of that question of law. That is an analogy, I submit to the hon. gentleman, of what happens in his practice frequently. The question of the adjustment of the amount of loss even under a fire policy is a matter to be settled partly by arbitration, and the question whether or not liability attaches under the policy is a matter of law. In this case, it is not a question to be settled by the commission, it is not a question of appellant or respondent, but it is a question of reference to the court by the commission itself because of uncertainty. This section deals with the procedure necessary for the purpose of ascertaining the amount to be paid to the claimant under the provisions of the statute itself. There are some detailed modifications of the general principle I have indicated, but that is the general view.

Mr. DUPUIS: I thank the right hon. gentleman for his explanation. I understand that all these appeals to the exchequer court will come generally speaking from the commission. The right hon. gentleman may be surprised that I put the question, and perhaps he may come back and say that if I had been here earlier I would not have asked the question, but I do not think it would be proper or right for the hon. gentleman to say that. Another reason why I was led to ask the question was that he speaks so low that sometimes we cannot hear him. It is not one's fault if one is a back bencher, and I had quite a hard time to hear the hon. gentleman's remarks just before he took his seat.

Mr. POULIOT: He swallows his words.

Mr. DUPUIS: I am serious. If I am wrong in my understanding of this question I want the right hon. gentleman to say so, and I believe I am wrong because he laughed when I put the question again. I infer therefore that an appeal will lie not only for the commission but for the insured. If that is so, it will not be very encouraging for an employee who is going to get from six to eleven dollars a week indemnity to have to go as high as to the exchequer court and take the risk of paying the costs of such an appeal. I understand that it is within the competence of the court to decide.

Mr. BENNETT: Mr. Chairman, I do not desire the hon. gentleman for one moment to labour under a misapprehension. I only regret that I was unable to make my explanation clear to him. It was when he rose in his place and said, after my explanation, that he understood an appeal could only be taken by the government—

Mr. DUPUIS: By the commission.

Mr. BENNETT: —by the commission, that I realized that I had failed to make clear to him what the explanation was. I was a back bencher myself once, so I sympathize with the hon. gentleman.

Mr. DUPUIS: It might be the last chance he has, Mr. Chairman.

Mr. BENNETT: I can only assure the hon. gentleman that my progress forward was never accomplished in the manner he has used today; I can assure him of that. If he did not hear me I desire to make perfectly clear to him what the provisions of the act are. The act deals with the procedure for the purpose of collecting benefits. That section is the section now under consideration. That section provides that the decision of the umpire shall be final, and there is no appeal to the exchequer court or any other court. That is number 1.

Number 2. Section 27, which we were discussing earlier this afternoon, as originally drafted provided for an appeal upon the matters distinctly mentioned in that section, and that appeal was available to the insured or contributor. We have eliminated that, and what is left is not an appeal at all but the right of the commission, if uncertain on a point of law, to refer that matter to the court. I endeavoured by illustration, and I see that I failed in my illustration as well as in my explanation, to make clear to the hon. gentleman, who is a member of the legal profession, that if a client comes to him with a fire policy alleging that his property has been destroyed, the determination of the amount that shall be paid may be done by arbitration without in any sense admitting liability on the part of the company. Then the company has, or I will say it may have, the right to say: We deny liability, and we desire that a case be stated for the opinion of the court as to whether or not under the facts agreed upon there is any liability under this policy in law.

This provision before us enables a reference to be made to a judge of the exchequer court by the commission to settle a point of law by stating that point and referring it to the exchequer court. There is no relation between section 27 and the section we are now dealing with, namely, section 30, which has to do with procedural matters in connection with claims. It will be found that the next section, 31, deals with legal proceedings. I trust that I have made the matter clear to the hon. gentleman.

Subsection 9 agreed to.

Subsections 10 to 13 inclusive, section 30, agreed to.

On subsection 14—References to claims for benefit; construction.

Mr. BOTHWELL: Surely this clause is not necessary at all. It reads:

> In this section references to claims for benefit shall be construed as including references to questions arising in relation to such claims—

Surely that is understood from the previous sections that we have gone over. It continues.

> —and references to allowing or disallowing a claim shall be construed as including references to determining a question in favour of or adversely to a claimant.

It seems to me that that is just a repetition.

Mr. DUPUIS: It would take some effort to explain that clause.

Mr. BENNETT: That is taken from section 22, subsection 2, of the British act of 1920. It may have been that in the early days they were anxious to express themselves with great clearness with respect to these matters. In the British act it is in somewhat vaguer terms than are used in our statute. I will let the clause stand in order to look further into it. I cannot see that it serves any particularly useful purpose, but there may be some purpose in it, and I will look into it and let the hon. gentleman know.

Subsection stands.

The CHAIRMAN (Mr. Morand): Shall section 30, with the exception of clause 14, carry? Carried.

On section 31—Penalty for obtaining benefit or avoiding any payment through misrepresentation.

Subsection 1 agreed to.

On subsection 2—Penalty for failure to pay contributions or for contravention of act or regulations.

Mr. BRADETTE: Where there is a penalty involving the alternatives of fine and imprisonment the poorer person is at a disadvantage; he finds it impossible to pay the fine and in consequence is sent to gaol while the person who is better off, who can afford to pay the fine, escapes imprisonment. There are many instances where people who have been sent to gaol under such circumstances would have avoided imprisonment had they been fortunate enough to have the money to pay the fine. Would it not be possible to do away with this discrepancy? It discriminates against the poor man.

Mr. BENNETT: Before proceeding to discuss the point raised by the hon. gentleman, may I refer the hon. member for Swift Current to the provision contained in subsection 11 of section 8 of the English act of 1930, which reads:

> In this section references to claims for benefit shall be construed as including references to questions arising in connection with such claims, and references to allowing or disallowing a claim shall be construed as including references to determining a question in favour of or adversely to a claimant.

Mr. BOTHWELL: It is exactly the same, except as regards the words "in relation to."

Mr. BENNETT: It was as late as 1930 that they put that provision in. I fancy that some very enterprising lawyer raised the question as to jurisdiction of the authorities to inquire into a collateral circumstance in connection with a claim, and this removes doubt in that regard. That is the only explanation I can think of.

Mr. BOTHWELL: It seems to me that this bill is involved enough without adding unnecessary clauses.

Mr. BENNETT: I agree, and that is why I take it that this subsection is inserted, because the hon. gentleman knows how technical lawyers have sometimes become with respect to these matters, and the court feels bound by the exact terms of the statute. This removes doubt. I trust my hon. friend sees no reason why the provision should not stand.

[Mr. Bennett.]

Mr. BOTHWELL: I take no exception.

The CHAIRMAN (Mr. Morand): Shall subection 14 of section 30 carry? Carried.

Mr. BENNETT: Perhaps it will be within the recollection of some members of the committee, of one at least, that there was a statutory inquiry with respect to abuses under the original act passed in England and it became necessary to have very stringent regulations and in some instances severe penalties imposed for the purpose of preventing frauds under the act. This section, which is taken largely from the English act of 1920 and other provisions of it, as late as 1927 and 1934, contemplates imprisonment not beyond a given number of months. That leaves it open for the magistrate to impose a single day; or he may decide to follow the example of a very distinguished English judge and say to the defendant, "You have been in this court since morning, have served your sentence, and are now discharged." That may be the case, but this is put in as a deterrent rather than as a punishment; this provision is intended to deter rather than to punish. That is the purpose of it, and I think that on reflection the hon. gentleman will see that perhaps in an act of this sort it is desirable to follow that course.

Mr. BRADETTE: I readily understand the argument of the Prime Minister, but every hon. member will realize the discrepancy between a fine of $50 and imprisonment for three months. The Prime Minister knows that it is within the jurisdiction of any judge to impose the full penalty and my greatest objection is the fact that while some people may be in a position to pay the fine and escape imprisonment the poor man will have to go to gaol. The Prime Minister must realize that great injustice might be done. I fully appreciate what he has said, and no doubt if he were administering the act himself the same arguments that he has used would appeal to him. But the fact remains that we are arming a judge or a justice of the peace with what might prove to be a dangerous weapon. Everyone knows that very often it is easy to pay a fine of $50 and escape three months' imprisonment. There is no equilibrium between the two penalties and a great danger lies in this provision.

Mr. BENNETT: I am bound to say I appreciate the observations of the hon. gentleman; but may I refer him to the experience of this country during the last two or three years in the matter of relief. The only way in which an adequate deterrent could be exercised was to bring home to those who endeavoured to defraud the country the

seriousness of the situation. It is most likely —I think highly probable—that any magistrate or justice of the peace would be particularly anxious not to deal harshly with any person under the act; but the fact that an offender might find himself faced with the punishment of a fine of only $5 or $2 would be to create a very great wrong against his fellows. And it is to deter him from that that this provision is inserted. The very observations made by the hon. gentleman support the view I have expressed, because he himself says that it is a very severe penalty. Now, the whole purpose of the act is not to punish but to deter, and if the hon. gentleman keeps that fact in mind he will have no difficulty, I think, in reconciling this section with his views.

Subsection 2 agreed to.

Subsection 3 agreed to.

Section agreed to.

On section 32—Power to take and conduct proceedings.

Section agreed to.

On section 33—Civil proceedings by employee against employer for neglect to comply with act.

Mr. NEILL: I would direct attention to the latter part of subsection (1), in which it is provided that if an employer has neglected to pay the sums he collected from his employee, and the employee in consequence thereof loses the benefits for which he paid and to which he is entitled, the employee shall be entitled to recover from the employer as a civil debt a sum equal to the amount of unemployment benefit so lost. That would arise only where an employer deducted the money properly from his employee and failed to hand it over, and it would be a rare occurrence; it would almost always happen in some fly by night company on the eve of bankruptcy. In that event liability for a civil debt to the employee would be of no use at all to the employee, and an injustice would be done which would make the act very unpopular among a large section of people to whom it had been heralded. I hesitate to venture into the realm of law, but is there not some provision in connection with chattel mortgages and also the transfer of notes, providing for what is known as the protection of an innocent purchaser? Could not the employee be held to be in the same position, in which event his remedy would not lie in a civil debt against the delinquent employer but he would collect the benefit for which he himself had actually paid, and the commission would either stand the loss or proceed against the defaulting employer? I submit that question to the Prime Minister.

Mr. BENNETT: As a matter of fact, this does not lessen or abrogate the right to proceed criminally against the employer if he has wrongfully converted to his own use moneys collected. This deals with the case of default that is short of criminality and at the same time lays the foundation for an action to recover the amount. The point made by the hon. gentleman is a technical question, but it would disturb the actuarial basis of the fund if to any substantial extent moneys were paid to a claimant when contributions had been made only by one party, the state, and none by either the employer or the employee. The fact that the employer has stolen the proceeds shall not operate against the employee's recovering them. The commission, I fancy, will exercise under its powers extreme care with respect to matters of that kind. You cannot always guard against the weaknesses of the human element in any of these matters. I think the hon. gentleman has had experience enough to know how extremely difficult if not impossible it is to guard against every contingency of that nature. I think the measure contemplates that the greatest promptness shall be exercised, because we are down to the weekly benefit, the lowest unit which could be used. I quite appreciate the point raised by the hon. member, but I do not think it can be dealt with in the way he suggests.

Mr. NEILL: I was not worrying about the legal aspect or the liability for a criminal offence. It simply means that this man after paying, for months, perhaps for years, believing in the integrity of his employer, claims the benefit and is refused with the statement that he should sue somebody who is a thousand miles away and has disappeared. Such a thing will make the act seem horribly unfair to the people it is supposed to benefit. The Prime Minister says that the actuarial basis of the measure might be disturbed, but such a thing will happen very seldom and it will be quite easy to take that into consideration in drawing up the basis. It is one of those things that will be regarded as grossly unfair to the employee, and it is not going to affect to any substantial extent the financial element in the fund itself.

Mr. BENNETT: I think the hon. gentleman by the statement he made just now has answered his difficulty. He said that the man might find, after having paid for months, that his employer had converted the funds to his own use. That could not happen beyond a few weeks because the function of collecting with the lowest unit of time, namely a week, is covered by the bill, and when the assessments are made they must be paid within a reasonable time after that or else the commission is at once after the delinquent for the purpose of finding out why the assessments have not been paid. That is the answer.

Mr. NEILL: But the Prime Minister must admit that this legislation will deal with industries in remote places. The employer has, I understand, to send the payments in weekly.

Mr. BENNETT: That is the unit.

Mr. NEILL: Suppose it is discovered at Ottawa that Bill Jones has not sent in his payments for a certain period; the civil service here does not move very rapidly. It would be a week or two before they would get round to notifying him. The mail service where he lives is only three times a month. In that case months might pass before he was stirred up and by that time it might be found that the man had left the country. I admit this might not go on for years, but it might go on for months.

Mr. BENNETT: I thought the hon. member said months.

Mr. GARLAND (Bow River): There is this point which the Prime Minister might consider when he is answering the hon. member for Comox-Alberni: why should the employee be obligated to take the civil action? These moneys are due to the commission, to the trust fund, and in my opinion it is the commission that should take the civil action. The employee should not be under any liability in connection with the case at all.

Mr. BENNETT: There is much force in what both the hon. member for Bow River and the hon. member for Comox-Alberni have said in that regard, but the reason is obvious. It may be we can overcome the difficulty. The reason is that the person who has suffered by default on the part of the employer is entitled to bring the action because he has actually lost the benefit. If the commission does this, of course it does it not as the loser of the benefit, but as the organization supposed to collect the benefit. I may say to the hon. member for Comox-Alberni that the reason why provision is made in this legislation for stamps is to deal with those cases so far remote that it is difficult to keep closely in touch with them quickly. I do not think under the regulations as framed under the bill there will be the slightest difficulty, because they will provide that there shall be some evidence forthcoming to the employee that the employer has made the payment for the week, in remote communities by stamps purchased from the post office. There is always a post office even in the remote sections. That is the safeguard. But I am quite willing that the subclause should stand and I shall look further into the question whether the commission might not bring the action, although it is purely a technical matter in connection with the right of a person to bring the action other than the person who has suffered the loss and is entitled to the benefit. That is purely a matter of law.

Mr. NEILL: To follow up what the hon. member for Bow River has said: would a comparable case not be if I had paid my taxes and the government official who had collected them had absconded with them? I would not be told to go and sue that official.

Mr. BENNETT: There is a great difference between paying taxes to a government official and a contribution to a fund. The question is purely a technical one. If there is any way to overcome the technical difficulty, it will be done.

Subsection 1 stands.

Subsections 2 to 5 inclusive agreed to.

On section 34—Inspection.

Subsections 1 and 2 agreed to.

On subsection 3—Penalty for delay or obstruction of inspection.

Mr. BENNETT: I hear an hon. member say, "severe." This is rather severe. The provisions are drastic, but the committee will recall that in connection with inspection, the international labour organization has expressed the strongest possible opinion, and if we are to make effective the legislation we must clothe the officials with extraordinarily great powers to do so. This follows the provisions of the last modification of the English act so far as may be necessary for that purpose, but there has been little or no change in the English act since 1920.

Mr. MACKENZIE (Vancouver): I see in the English act they have a provision that no one is supposed to give up or submit any documents that might incriminate him.

Mr. BENNETT: I think our act is sufficiently broad without that.

Subsection agreed to.

Subsection 4 agreed to.

Section 34 agreed to.

On section 35, subsection 1—Unemployment insurance fund.

Mr. VENIOT: I suppose it would not be in order under this clause to discuss the matter of the actuarial computation. Is there not another section held over?

Mr. BENNETT: I think I held the section over for the hon. gentleman.

Subsection agreed to.

On subsection 2—Contributions out of moneys provided by parliament.

Mr. MACKENZIE (Vancouver): If the fund to be created under this act had a deficit would the deficit be made good by vote of parliament in a subsequent year?

Mr. BENNETT: The hon. gentleman is of course touching upon the vital point that gave so much concern in England, and which still is doing so. This act does not contemplate a deficit: that is all I can usefully say. I can answer his question purely as a lawyer by saying that parliament can of course cure any defect in respect to it, and make good any deficit that might arise, whether after or before the fact. Parliament's power would extend that far. But the act is based on the assumption that there will not be a deficit.

Mr. MACKENZIE (Vancouver): It is also based on certain insurable employments and certain excepted employments. We had a general discussion the other evening as to whether the commission as such could take any excepted employments and make them insurable. Naturally if that were done it would alter the actuarial basis of this bill. Does the Prime Minister mean to convey that the actuarial basis is sound enough to make the scheme carry itself even if any of the excepted employments were taken in?

Mr. BENNETT: If they were analogous employments that would be so; and it is in the power of the commission to deal with anomalies under the act. If for instance the British Columbia loggers were brought under the act it could not interfere with the solvency of the fund.

Mr. MACKENZIE (Vancouver): After the discussion the other evening I looked up the anomalies sections of the British act. There I think they are very much restricted as to how far they can add employments. Of course under the 1934 act practically everyone is included, but before that it was limited. Unless there is some direction from this committee to the commission I am afraid the commission are going to be very much restricted in their power to transfer any employment from the excepted class to the insurable employments. I still think that would affect to a certain extent the financial basis of the fund. The point I want to establish is that if such took place, would application have to be made by the minister to parliament for further funds, in case the present basis were not enough to carry the scheme?

Mr. BENNETT: It is quite obvious that under the terms of this statute as printed the payment into the fund of moneys other than those received from sources one, two and three, the latter being the state itself, is not contemplated. And the limitation imposed in the section now under consideration upon the payments to be made by the state does not of course deal with the costs of administration. There is power to make payments under governor general's warrant, but as the hon. gentleman knows as a former minister, no governor general's warrant can be permitted to stand without having an estimate placed before the house to cover the amount mentioned in the warrant. So I think I must answer his question in the negative.

With respect to the anomalies clause I also looked into it since we were last discussing it. Under the English act the provisions were rather restrictive, and if there is any doubt with respect to some of these matters I propose to make it clear. But it is not contemplated that the commission as such can enlarge the scope of the act except with respect to matters that will not change the actuarial basis. I am advised that the introduction of additional numbers of substantially the same class would have no other effect than that of increasing the number participating.

Mr. MACKENZIE (Vancouver): So that generally speaking any of the excepted classes cannot be brought under the insurable employments clause except by action of some future parliament?

Mr. BENNETT: That is the general principle, yes.

Mr. NEILL: The hon. member for North Waterloo (Mr. Euler) I think yesterday cited a class of individuals that he said investigation

had shown would very seldom ask for any benefits. Consequently I judge that they would be a very desirable class, from the actuarial standpoint, to have in the scheme. The Prime Minister said in that case they could be taken out under the anomalies clause. Would not that upset the actuarial basis?

Mr. BENNETT: No, it was not the anomalies clause, if the hon. gentleman will pardon me. There is a special provision to deal with that particular matter. That is the reason that we have had to say firmly that we will not agree to take particular people out of this act, the very reason the hon. gentleman has mentioned. The class that it is desirable to have within the act is the class that will make the fewest claims. Life insurance companies are always anxious to have good risks, with whom the actual length of life far exceeds the expectation on which the computation of premiums is based. That is so in the case of this act as well.

Mr. HEAPS: I think the Prime Minister has stated on several occasions that this bill essentially follows the English act. I find that under the English act the contributions by the employer, the employee and the state are approximately the same. I believe under the last amended act of 1934 contributions by the state, the employer and the employee are ten pence each. Prior to that they were eight pence by the employer, seven pence for the employee, and seven pence by the state. Now according to this clause the government are to pay one-fifth of fifty cents, which is ten cents, and in addition are to assume the total cost of administration. It is true, as pointed out on several occasions, that under the English act the cost of administration is borne out of the total contributions to the fund. If I am right, twelve and a half per cent of fifty cents works out at about six and a half cents which the government will have to contribute as cost of administration. If I take then the ten cents that they are going to contribute plus six and a half cents as the cost of administration, the government's contribution to the scheme will be sixteen and a half cents, or about two-thirds of what employer and employee together are to contribute. If in the main this bill follows the British act, I feel that the government should be just as generous or ready to support the fund in the same ratio as do the government of Great Britain. Their contribution should be equal to that of employer and employee; it should be twenty-five cents at least for persons over the age of twenty-one. I should like to know why, if the British act is to be followed all through, it is not followed in this regard, and the contribution by the state made the same as that of employer and employee.

Mr. BENNETT: I explained a few days ago to the hon. gentleman that the cost of administration that is to be paid by the state comes not out of the fund at all but from money provided by parliament for that purpose. The uncertainty as to the cost of administration governed the determination as to the amount to be paid into the fund by the state. That has been settled at one-fifth of the contribution, and if later experience warrants of course there can be such change as may be necessary, but we must proceed upon the assumption that we are conducting a solvent and safe undertaking. For that reason this has been thought desirable. It cannot be argued that because we have followed the English act in most particulars we should follow it in every particular, because the sums payable here are not the sums payable in England. As I have said, however, in a broad and general sense this statute is founded upon the English act, and whenever I was asked I gave the sections of the English acts from which this act has been drawn. This section, dealing with financial provisions, has engaged very closely the attention of the government, and after very much consideration it has been thought that at the present time it would be undesirable to go beyond what is provided in the act. That is the arbitrary determination of the issue in the experience in Great Britain and our knowledge of conditions in this country.

Mr. MACKENZIE (Vancouver): A few moments ago the Prime Minister said that naturally it was desired to get the best risks. In that connection I desire to read a telegram which I received only to-day:

> Re unemployment insurance we emphatically suggest that such good risks as banking, insurance and financial businesses be included as see no reason why they should not help lighten the burden by contributing to fund. Suggest also that if lumber and fishing are exempt construction industry being equally seasonal should also be exempt otherwise fund would be unfairly burdened.

That is from the Pacific Lime Company of Vancouver. I think there is a certain amount of dissatisfaction that some of these good risks are not included and also that some of the bad risks are.

Mr. BENNETT: I think upon analysis it will be found that the reasons for the non-inclusion of banking and financial institutions are most excellent. According to the investigations made in Great Britain, referred to in the report of the last royal commission,

there were no claims against the fund at all from those sources. They had their own scheme on a very large scale, and it was not thought desirable to have two. We are being pressed very strongly every day not to include in these schemes some of those already included on the ground that they have their own arrangements in matters of this kind. We have taken the position that we cannot do that in fairness to the fund itself and those who will receive benefits under it. The position of the financial institutions is different; it was never intended to cover them. They are not industrialists in that sense, and to bring them in just for the purpose of taking money which they are already paying to someone else is not the purpose of the statute. This measure is just what its title indicates; it is created for the purpose of dealing largely with industrial undertakings. That is the whole idea; it is intended to include shops, industries, railway companies and undertakings of that kind. Many of these people press very strongly that they should not be included, and they put their case on the very basis that was outlined by the hon. member for North Waterloo. There must be a determination of this issue, and we have accepted the principle that was adopted in Great Britain.

Mr. MACKENZIE (Vancouver): Do all the banks in Canada provide schemes for the insurance of their employees?

Mr. BENNETT: That is a question I am not in a position to answer, but I can say that I have knowledge of at least four or five schemes of this kind.

Mr. VENIOT: Some do not.

Subsection agreed to.

On subsection 3—Withdrawals.

Mr. NEILL: Is it proposed that these moneys will be paid weekly or monthly to the beneficiaries?

Mr. BENNETT: Weekly.

Subsection agreed to.

Subsections 4, 5 and 6 agreed to.

On subsection 7—Deposits in chartered banks.

Mr. GARLAND (Bow River): Is there any provision in the Bank of Canada Act that prevents deposits being made with the Bank of Canada?

Mr. BENNETT: The hon. gentleman will perhaps remember that the Bank of Canada does not contemplate checking accounts by anyone. In order to overcome that difficulty and permit the Bank of Canada to be the depository of the fund, subsection 3 of section 35 enables two commissioners to withdraw the money from chartered banks. In order that there may be no question as to the earmarking of the fund that may be credited or deposited in a chartered bank it is provided that, although it is away from the original depository, it still shall be regarded as part of that fund.

Subsection agreed to.

On subsection 8—Pledging of securities to procure loans.

Mr. BRADETTE: What is the meaning of the words, "any of the securities of the fund"? Would that be actual cash? There would be no notes receivable or things of that kind.

Mr. BENNETT: It is contemplated that there may be a fund as large as $40,000,000 in a year. Therefore it is possible that investments may have to be made at one time and that at a later period instead of selling the investments it may be desirable to borrow, pledging with the Bank of Canada any of the securities of the fund. That is the reason for this section.

Subsection agreed to.

On subsection 9—Extension of powers of Bank of Canada.

Mr. MACKENZIE (Vancouver): Is it the usual practice to amend one act by the insertion of a clause in another? We are really amending the Bank of Canada Act by this subsection.

Mr. BENNETT: The hon. gentleman is quite correct, and it is not the usual practice to amend one statute by the provisions contained in another. But where the amendment is so slight as merely to permit money to be deposited and withdrawn, it was thought undesirable to amend the Bank of Canada Act to that extent. I think the hon. gentleman will agree that with an amendment so slight as that indicated here it serves a useful purpose to do it in this way rather than to amend the other act.

Mr. POWER: May I point out that the Bank of Canada is authorized to do two things? I believe that under subsections 4 and 5 it is really authorized to make the investments. Is that not so?

Mr. BENNETT: Yes.

Mr. POWER: It is not only authorized to accept deposits, but I understand that it is also to have a sort of general supervision of the investment fund.

Mr. BENNETT: The hon. gentleman will observe that under subsection 6 the Bank of Canada shall be employed to carry out transactions authorized by the said committee under the last preceding subsection of this section; in other words they become the fiscal agent of the commission, and the sum standing to the credit of the fund which is not required to meet current expenditure may be invested in obligations, payable in Canadian currency, of or guaranteed by the Dominion of Canada or any province of Canada, and investments so made may be sold or exchanged. These transactions may be carried on in the manner indicated under subsection 5, and to the extent to which it is possible to utilize the existing machinery—

Mr. POWER: It is not the bank as such; it is the governor?

Mr. BENNETT: Yes.

Subsection agreed to.

Section agreed to.

On section 36—Establishment of unemployment insurance advisory committee.

On subsection 1.

Mr. HEAPS: As I read this clause I am just wondering whether it is necessary to have such an advisory committee. There may be good reasons for this provision, but I am afraid that if we have too many organizations under the act we are apt to have a division of authority which may militate against its successful operation. Personally I think the powers that are to be vested in the advisory committee might be very easily assumed by the commission that is to be appointed. Let them have the authority. I think the commission will be very able, and it does not appear that the duties of this advisory committee will be arduous. Having in mind the other committees to be appointed under the measure I have the impression that the measure may work considerably better without the committee in question.

Mr. BENNETT: Mr. Chairman, for the purposes of this measure there is no more important section than the one now under consideration. The maintenance of the solvency of the undertaking is of paramount importance. Supervision of the commission is desirable. The method of supervision is a matter for parliament to determine. In Great Britain last year they decided to enact section 17 of their measure to meet the difficulty I have mentioned, and they have provided for the appointment of a committee. Although I have not up to the present been in a position to give the names of the members of the committee, the general idea is that citizens who are interested in the welfare of the country, who are willing to give some little public service, and who have some interest in the maintenance on a proper basis of the undertaking, would constitute an advisory committee so that the solvency might be maintained, so that the functioning of the measure may be assured and the purposes for which it has been created accomplished. I need not say to this committee that the experience in Great Britain in connection with unemployment insurance warranted their taking the steps I have indicated. We are desirous of beginning under such conditions as will ensure the maintenance of the conditions at which we aim, and the advisory committee is to be set up with that in mind. I do not know whether or not the house would be interested in hearing the provisions of the English act in that regard. Some considerable time would be involved in reading it, but for the information of hon. members I shall do so:

17. Establishment of unemployment insurance statutory committee and duties of committee as respects unemployment fund.

(1) There shall be constituted a committee, to be called "the Unemployment Insurance Statutory Committee," to give advice and assistance to the minister in connection with the discharge of his functions under the Unemployment Insurance Acts and to perform the duties hereafter specified in this part of this act; and the provisions of part I of the third schedule to this act shall have effect with respect to the constitution and proceedings of the committee.

(2) The committee shall, not later than the end of February in every year, make a report to the minister on the financial condition of the unemployment fund on the 31st day of December last preceding, and shall also make a report to the minister on the financial condition of the fund whenever they consider that the fund is or is likely to become, and is likely to continue to be, insufficient to discharge its liabilities, and may make a report on the financial condition of the fund at such other times as they think fit.

(3) If the committee at any time report that the unemployment fund is or is likely to become, and is likely to continue to be, insufficient to discharge its liabilities, or is and is likely to continue to be more than reasonably sufficient to discharge its liabilities, the report shall contain—

(a) recommendations for the amendment either generally or in relation to special classes of insured contributors, of the provisions of the Unemployment Insurance Acts referred to in part II of the third schedule to this act or of the provisions of any previous order made under this section, being such amendments as in the opinion of the committee are required in order to make the fund, as the case may be, sufficient or no more than reasonably sufficient to discharge its liabilities; and

(b) an estimate of the effect which the amendments recommended will have on the financial conditions of the fund; and, where the committee report that the fund is and is likely to continue to be more than reasonably sufficient to discharge its liabilities, the report may contain recommendations for the application of any sum towards the discharge of the liabilities mentioned in subsection (2) of the section of this act next following.

(4) The committee shall give such notice as they consider sufficient of their intention to make a report under this section and shall take into consideration any representations which may be made to them with respect thereto.

(5) Within the period of two months after the receipt by the minister of any report under this section or, if parliament is not sitting, at the expiration of that period, then, as soon after the expiration thereof as parliament sits, the minister shall lay the report before parliament, and in a case where the report contains recommendations for the amendment of the Unemployment Insurance Acts or of any previous order made under this section, shall after consultation with the treasury lay before parliament—

(a) the draft of an order making such amendments as are duly recommended by the report, or, if and so far as any amendment so recommended is not adopted by the minister, making such amendments (being amendments which the committee had power to recommend) as will in his opinion have substantially the same effect on the financial condition of the unemployment fund as that estimated by the report as being the effect of the amendments recommended; and

(b) if and in so far as the amendments proposed by the draft order differ from the amendments recommended my the report, a statement of the reasons for the difference.

(6) If each house resolves that the draft of an order laid before it under this section be approved, the minister shall make an order in the terms of the draft to take effect on such date as may be specified in the order, and as from that date the provisions of the Unemployment Insurance Acts and of any such previous order as aforesaid shall have effect subject to the provisions of the order.

(7) So much of the Unemployment Insurance Acts, 1920 to 1933, as provides for the variation, otherwise than in accordance with the provisions of this section, of the rates of contributions in force at the commencement of this act shall cease to have effect.

(8) This section shall come ito operation on the passing of this act.

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Mr. NEILL: I fully appreciate what the Prime Minister has read, but are not the duties and responsibilities he has mentioned those of the commission? In Great Britain the committee were to advise the minister, who operates the act, but we have in Canada a commission to operate our act. By naming a committee we would be putting such committee over the commission, and would be placing them in a position of supervising everything. To me it seems like painting the lily and adorning the rose.

Mr. BENNETT: I think if the hon. member had read the actuarial report he would have observed the importance they attach to this provision. It is a salutary provision to prevent the possibility of the fund falling to a point where it is no longer able to meet the obligations or, on the other hand, to prevent faulty administration with respect to the measure. Auditors will report, of course. But a committee—I hope a committee receiving no salary or remuneration—composed of well intentioned men, men with high ideals of public service, would endeavour to discharge a duty to the state by assisting in the administration of a difficult measure. The fund under the English act fell into debt. If my memory serves me correctly it was in debt to the extent of £90,000,000.

Mr. MACKENZIE (Vancouver): £115,000,000.

Mr. BENNETT: That is correct, yes. Introducing his last budget, Mr. Churchill, chancellor of the exchequer, pointed out that because of what had taken place it was necessary for the state to assume obligations which if capitalized represented the enormous sum of £750,000,000. This is the method devised in Great Britain to insure against a recurrence of such a condition. In this measure I believe the provision now under discussion will have a most salutary effect, and I ask the committee to adopt it as a means of preserving the integrity of the fund and the usefulness of the measure itself.

Mr. NEILL: Is that not a duty of the commission?

Mr. BENNETT: Yes, that is true.

Mr. NEILL: Are we not reflecting upon their ability?

Mr. BENNETT: No, I think not.

Mr. WOODSWORTH: Listening to the Prime Minister I fail to see how the committee would act as a safeguard to any greater extent than the commission would.

Mr. BENNETT: The point is this: Some of the old banking institutions have a committee composed of high minded and public spirited citizens who pass upon certain matters for the purpose of ensuring, shall I say, the disposition of some of the banks' moneys. In the olden days that used to be a factor with respect to the charitable funds of banks. Hon. members will observe that the section is designed to secure the good will and active participation of people who will give of their wide experience and great knowledge—financial, industrial, social or commercial—to assist the state, through the commission, in the administration of the act. If to-day they had a commission in England, and were not bound by certain conditions, I think I could say that in all probability they would not administer the act through the ministry, the reasons having been given on more than one occasion as to why that would be so. We are endeavouring to divorce this measure (1) from politics and (2) from the pressure which has always been exercised in connection with legislation of this kind, very often rendering it ineffective because of an unfair drain being made upon the resources of the fund through hasty and ill advised action and through a desire to secure a temporary measure of popularity for those charged with responsibility of a political character. This commission is, we think, divorced from that so far as may be humanly possible.

I am not unmindful of my own experience in connection with another commission. Despite the fact that the government selected a commission and left to it the working out of the public ownership of radio, the fact is, and a very evident fact too, that the government is blamed for its administration, and political capital is made of the manner in which it is administered. Now all that a government can do is to endeavour to secure a commission that will administer any public utility or any public act subject to the provisions of the act. When it fails to do so it supplies, shall I say, aid and succour and support to those who are opposed to what has been so often designated as public ownership. For my own part what I said with respect to the public continuing to own the radio I still feel, although I am not unmindful that a very great body of public opinion has grown up in this country entirely at variance with my own opinion.

The question of the administration of this act gave the government a great deal of concern. It had to consider what several hon. gentlemen have suggested: Why not take it over as a department of government and administer it? Well, my reading, scanty as it is, with respect to this has been sufficient to indicate to me clearly that in one country the immediate effort of one party was to secure popular support by promising that they would raise the benefits under the act at the next election, and the other party said: We will go you one better. That position with respect to a fund such as this is deplorable and it cannot but result in disaster. We know the pros and cons, the advantages and the disadvantages, the benefits and drawbacks—although that is hardly the word—that would result from the administration of this act as a branch of the public service, and we came to the conclusion that it was best to create a commission. Having resolved to do so we then looked about for a method to create it that would so far as possible remove it from politics. I had recourse to the provisions of the international labour organization's regulations, and so we dealt with it in that way, the employees being represented through the best means they had of expressing themselves to the government of the day, the employers being represented, and the state making a contribution.

I earnestly ask the committee to think over very carefully the section in question, because I believe that if we can only make these sections really effective it may do much to induce people to take a voluntary interest in public service of the state, which is so characteristic and perhaps reaches its highest development in Great Britain. When I think of the reservoir from which they have to draw, the trained minds of men and women who are always ready and willing to give voluntary service to enable the state the more readily to discharge its duties—and I am amazed at times at the number of such committees and the number of men and women who are always prepared to assist the government of the day, and continuing to function even although there is a change of government—I am hopeful that this may be the beginning of some such attitude on the part of public spirited citizens in this country, and I know of no place in which public service could be better rendered than in giving effect to the provisions of these sections for the administration of this act.

Mr. WOODSWORTH: How does the type of person likely to be appointed to the advisory committee differ from the type of person to be appointed to the commission? As far as I can see, the only difference is that one set is paid and the other is not paid.

Mr. BENNETT: One is a commission responsible for the administration of the act, and the other is a committee discharging the duties of a critic and endeavouring to assist the commission in the operation of the statute. Such a committee can do a great deal. I know whereof I speak, for I have seen it in actual practice—good will; the desire to help; the desire to make something effective; the desire to offer criticism, not in any carping spirit for the purpose of destroying, but with a view to enabling the thing to be done better than it has been done. Who will deny the value of such a committee?

The selection of this group of men and women is a grave responsibility. Wherein the commission and the committee differ is that in the one case you have responsibility for administration; in the other you have responsibility for observation, analysis, and criticism, for the purpose of promoting the administrative functions and powers of the commission, and above all to see that this fund, which after all is a great national trust fund, is administered so as to prevent it becoming insolvent and thereby bringing sorrow to those who should benefit from it. There is a very clear distinction between the two, and I think upon reflection the hon. gentleman will agree that that is so. A voluntary committee of able men and women is very desirable in checking over the administration of any of the functions of a commission if with good will they desire to assist them in attaining the ends and objects sought by the statute.

Mr. MACKENZIE (Vancouver): In England one member of the advisory committee must be a woman. Has the Prime Minister given consideration to that?

Mr. BENNETT: I have, and the hon. gentleman may have noticed that I twice, in speaking of the committee, said able men and women.

Mr. MACKENZIE (Vancouver): There is nothing in this act to make the selection of a woman compulsory.

Mr. BENNETT: If it is thought desirable, that can be done, but I contemplate that one of the members of the committee shall be a woman. It must be remembered that the situation is somewhat different in Great Britain from what it is here, but a provision can be inserted in the measure if it is thought desirable.

Mr. GARLAND (Bow River): Far be it from me to deprive the Prime Minister, the government or the commission of the opportunity of salutary and helpful advice. Personally I am not particularly interested in this clause. I have no objection to it, but it is an extraordinary clause, almost as extraordinary as the speech the Prime Minister has just made about it. If there should be an advisory committee in the case of this commission, why not in the case of the radio commission, which also expends a very large sum of money? Why not in the case of the railway commission? Why not in the case of the civil service commission, involving as it does the welfare of human beings and their appointment to office? Why stop at one commission? The argument made by the Prime Minister in an attempt to make this appear to be similar to the British provision does not upon examination hold water, because everything that this new statutory committee in England has to do now falls within the ambit of the functions of the commission to be appointed under this act. In England they advise the minister, and the minister surely needs advice in the administration of a scheme of this magnitude. If this bill set up only a minister, then certainly there could be no argument against providing an advisory committee to assist him in carrying on his functions. But this advisory committee which the Prime Minister proposes, and the statutory committee in England, are two very different things indeed. This advisory committee is to protect the fund and see that it is not invaded, that sums are not overspent and all the rest of it. And yet we have on the preceding page the provision for an investment committee. While the investment committee's powers under that section would seem to be for the purpose of designating the type of investment for which the fund may be used, surely its powers might properly be enlarged by giving them the right to investigate from time to time the condition of the fund. While I have no objection to the appointment of the advisory committee—not the slightest—on the other hand, if I were on the commission or if I were chairman of the commission, I should feel that the Prime Minister was hardly paying me a very high compliment. There are doubtless many men who would be glad to accept a position on the commission, but anyone who does so now knows that this body of courteous and kindly persons will investigate the daily operations of the commission; otherwise of what value is it if this body is not to watch the operations from day to day? It is a very pleasant

thing and I hope the Prime Minister is right when he hopes that the chief purpose will be achieved, namely, the inculcation in some people of a true spirit of public service.

Mr. BENNETT: The hon. gentleman suggests that the chairman of the commission might feel that he was not being placed in a very sound position because someone else would have the right to look into and investigate the operations of the statute. No judge of first instance ever hesitates to be appointed because he knows that his judgments will be subject to review in another court.

Mr. NEILL: But the other judge does not give advice.

Subsection agreed to.

Section 36 agreed to.

On section 37—Number of members.

Subsections 1 and 2 agreed to.

On subsection 3—Not eligible to sit in parliament.

Mr. HEAPS: If this committee is to be honorary, without pay, is there any reason why members of parliament should be debarred from giving their services?

Mr. GARLAND (Bow River): They ought to develop the sense of public service.

Mr. BENNETT: It is felt it would be unfair to overload them with a sense of public service.

Subsection agreed to.

On subsection 4—Members representative of employers and workers.

Mr. LAPOINTE: What method will be followed in the choice of representatives of workers? It says, "after consultation with employers." In connection with the international labour organization there have always been difficulties in view of the provision of the labour part of the peace treaty that the employees' representative should be a member of the organization representing the largest number of workers in the country. The result is that the representative of the employees is always representing the same organization, and the technical adviser representing labour is also always selected by the same organization. Sometimes a representative of other labour organizations is selected to serve; it is a charitable deed: he comes as technical adviser for the government. But they resent it because they want someone to go there as representative of the employees. I want to know whether we shall have the same difficulties in this matter.

Mr. BENNETT: The hon. gentleman knows that during his term of office for nine years he had to meet exactly the same difficulty.

Mr. LAPOINTE: I know; that is why I want to avoid it.

Mr. BENNETT: I quite agree with him as to the desirability of endeavouring to avoid it. He knows that we have both endeavoured to avoid the consequences of it, at least with respect to two other employee organizations, by appointing them in the manner he has indicated for the purposes stated. But as the arrangement stands, under the international labour organization, it says the largest number should be the determining, selecting body. We have nothing of that restriction here and—I speak only for myself—an endeavour will be made to see that it is not confined to one particular body. There are at least three large organizations in the country and the difficulty of appointing three is at once apparent, as the hon. gentleman knows. As regards the converse, with respect to the employers, if my memory serves me, the manufacturers association has submitted a list since 1919 or 1920, or whenever it was finally settled, and there has been no change. I am not unmindful of the point to which my hon. friend refers and an earnest effort will be made to try to secure a measure of equity that will be satisfactory all around.

Mr. LAPOINTE: Thank you.

Subsection agreed to.

At six o'clock the committee took recess.

After Recess

The committee resumed at eight o'clock, Mr. Morand in the chair.

The CHAIRMAN (Mr. Morand): We are on section 37, subsection 5—Unfitness or incapacity of member.

Subsection 5 agreed to.

Subsections 7 to 9 inclusive agreed to.

On subsection 10—Expenses.

Mr. MACKENZIE (Vancouver): Where do these expenses come from—from the fund or from the government?

Mr. BENNETT: Not from the fund.

Subsection 10 agreed to.

Section 37 agreed to.

On section 38—Regulations.

Paragraphs (a) to (c) inclusive agreed to.

On paragraph (d)—Acting umpires.

Mr. MACKENZIE (Vancouver): We had some discussion this afternoon in regard to deputy umpires. Are the acting umpires not in the same category?

Mr. BENNETT: I promised the hon. member for West Middlesex that I would look into this matter and satisfy myself as to what the deputy umpires were. The provision in the English act is the same as ours, but it might be desirable to strike them out altogether.

Paragraph (d) agreed to.

Paragraphs (e) to (h) inclusive agreed to.

On paragraph (i)—Penalties.

Mr. NEILL: I protest against the provision giving this commission power, as I said in speaking on the second reading, to start a little criminal code of their own. It is bad enough to give them power to make regulations which may have all the force of separate and distinct laws, but when we allow these people to prescribe penalties and terms of imprisonment, we are going too far. Surely it would be possible to limit them at least to financial penalties and, in default of payment, to terms of imprisonment. I had occasion not long ago to see some of the regulations proposed by one of these marketing boards; I forget the exact nature, but the power they gave to some official to send people to gaol was most extraordinary and unwarranted. People unfamiliar with making laws and who are not even lawyers are not qualified to have unlimited powers to make penalties for the violation of a regulation. If we could see the regulations, the matter would be different, but some of these regulations are very vague and a man might be sent to gaol for a violation of something that no reasonable person would expect him to live up to. I suggest to the Prime Minister that we should at least limit this to fines and, in default of payment, to a term of imprisonment. Under the wording of this provision it would appear that the commission could create an offence of their own and impose imprisonment for it.

Mr. BENNETT: The courts have settled the principle that no regulation is valid that is not based upon some statutory enactment. The power to make a regulation must be conferred by some statute in order that the regulation may be valid. If in the exercise of its power the commission passes regulations any one of which is in excess of the power conferred by the statute, such regulation falls and is not valid. Therefore it is desirable that there should be in the commission some power to deter those who contemplate violation of the regulations which are such an essential part of the legislation. The suggestion made this afternoon by the hon. member for West Middlesex I desire to consider as to whether there should be inserted in the statute itself a provision for regulations respecting the matters to which he called attention, and so this paragraph and paragraph (j) may stand.

Mr. MACKENZIE (Vancouver): In regard to a question I asked the Prime Minister a day or two ago, there is a provision for presenting reports to parliament within a specified period. Is there any provision for presenting to parliament all the regulations made by the commission?

Mr. BENNETT: They have to be approved by the governor in council, as the hon. gentleman will remember, and published in the Gazette.

Mr. MACKENZIE (Vancouver): Every member would like to be acquainted with the tenor of the regulations made by the commission.

Mr. BENNETT: I appreciate what the hon. member says as to laying them on the table.

Paragraphs (i) and (j) stand.

(Section 38, now section 37) with the exception of paragraphs (i) and (j), agreed to.

On section 39.

—Cooperation in matters of health and health insurance.

Mr. MITCHELL: To what extent does this contemplate the provision of a health insurance scheme?

Mr. BENNETT: This clause and the succeeding one will indicate the extent to which it is intended that the commission shall obtain such information as will enable legislation, if thought desirable by parliament at another time, to be submitted for the purposes the hon. gentleman mentions. This does not in itself of course contemplate a scheme; it is only for the purpose of laying the foundations of one. The reason for that is this: it is well known that an earnest effort is being made to coordinate the services of the provinces and the dominion with respect to health matters to the extent that that may be possible, and the minister contemplates bringing together the ministers of health of the

provinces to discuss these matters so as to prevent overlapping. When that is done, it will be possible to develop further the scheme that has been put into force in some parts of the empire as well as in foreign countries. I would not undertake to be responsible for any scheme until far more complete information is made available than now exists, and the extent to which the provinces will cooperate and coordinate their efforts with those of the dominion must of course be determined. I can only say that the minister has already taken in hand the question of a conference for the purpose of trying to settle that. Vain efforts have been made to settle it; it is only fair to say that efforts have been made by hon. gentlemen opposite, but health policies seem to have an amazing attraction for provinces at one stage and to arouse an amazing dislike at another. If it is possible for provincial authorities to provide the policies and have the dominion provide the money, they are very popular, but if the order is reversed they are not so much in vogue. I agree with an observation made I think this session by the hon. gentleman from Edmonton in regard to efforts of what I describe as private agencies to secure grants from time to time for the purpose of promoting public health; unless there is a more definite relation of their activities to those of the federal authority from whom the money is obtained I have not observed very satisfactory results. Here the report of the actuaries upon the matter is perhaps responsible to some extent, but if the contemplated efforts as indicated by correspondence can be put in the form of a definite arrangement or agreement I think matters will be in a far more advanced position than they are now.

Mr. WOODSWORTH: Do I understand then that this section does not in any way commit the government to the undertaking of a general health policy?

Mr. BENNETT: I thought I made it perfectly clear the other day that this is not an undertaking on behalf of the federal government to pay any sums of money. That is to be dealt with in another way. The section says:

> The duties and powers of the commission under this part of this act shall be exercised, so far as may be found practicable and expedient, in cooperation with any department or departments of the government of Canada—

There being a health and pensions department to which that refers.

> —with the dominion council of health, with any province or any number of provinces collectively, or with any municipality or any number of municipalities collectively, or with associations or corporations.

This goes further than most of the provisions because of the relation between municipalities and industry, the employees of which are insured under the act. It is to relate the question of health to insurance under the act.

Mr. MACKENZIE KING: If the Prime Minister's contention in regard to this measure of unemployment insurance is correct it is not necessary at all to confer with the provinces. Why may I ask should it be necessary to have these conferences with the provincial ministers in respect to national health? National health is a national subject, and, to use the words of the Prime Minister, the voice of Canada is not the collective voice of the provinces, but that of this parliament.

Mr. BENNETT: That is right.

Mr. MACKENZIE KING: If that is correct I do not see the necessity for any conference with the provinces. I must say that personally I favour the idea of conference, and I think that equally there should have been a conference with the provinces in regard to unemployment insurance.

Mr. BENNETT: I think that on a moment's reflection the right hon. gentleman will realize why we have dealt with it in this way. The provinces cannot under any statute that may be enacted by this dominion be released from their obligations with respect to the health of their people. They have their health departments, and expend large sums of money in clinical and other work, for instance dental services. Whether men are insured or uninsured is not a matter of concern to them; their liabilities and obligations are there. That is one of the matters that has engaged the attention of successive governments, because the provinces in carrying on these health activities seek from the dominion sometimes special grants and sometimes merely what you might call propaganda effort. What I said with respect to insurance when I was moving the second reading of the bill had no reference to health, because that now rests with the provincial authority, and is an obligation which they are carrying out in a very clearcut manner. None of the provinces are undertaking responsibility with respect to the matter with which this bill deals. It is believed that this furnishes a unique opportunity to tie the efforts of the provinces and the dominion into one coordinated whole. I may be wrong; my hopes in that regard may be too great, but here you have the insurance officers, the inspectors and everyone

connected with the administration of this act dealing with individuals—not all the individuals in a community but the major part of those who are wage earners. They therefore have first hand information with respect to the health of the workmen, questions of sanitation, and the surroundings of the individuals insured, under the inspection clause referred to this afternoon. If that can be correlated to the activities of the provincial health authorities I believe it would be a great step forward, and ensure to a large extent the attainment of the object which we have in mind. For instance it is well known that on this continent the first efforts made by private enterprise to assist the state authorities in connection with health was by life insurance companies which inserted in their policies a provision to enable them to inspect the homes of those who were insured, and see to their surroundings and provide if possible for improved health conditions. The result has been most remarkable. The co-ordination of these organizations with the governmental authorities has had most far-reaching and beneficial consequences. That is what is intended here.

Mr. LAPOINTE: Health is largely a provincial matter, I agree. When the federal Department of Health was created the act said that it was for the purpose of looking after the federal activities—

Mr. BENNETT: Propaganda largely.

Mr. LAPOINTE: —in quarantine and such matters, and to cooperate with the provinces. As far as cooperating with the provinces is concerned this part of the present bill is not needed. The present Department of Health Act is sufficient to authorize any investigation of the kind suggested by this provision. But if the right hon. gentleman is correct as to the jurisdiction of this parliament in respect to unemployment insurance, the same view would apply to matters of health. Take the preamble of this bill. If the Prime Minister is right when he says:

> Whereas the Dominion of Canada was a signatory, as part of the British Empire, to the treaty of peace—

—and that is where he takes his power—

> —and by article 427 of the said treaty declared that the well-being, physical, moral and intellectual, of industrial wage-earners is of supreme international importance—

—if that applies to a scheme of unemployment insurance surely it would apply as well to a scheme of health insurance. But it does not apply to either.

Mr. MACKENZIE (Vancouver): I wish to endorse every word my hon. friend from Quebec East (Mr. Lapointe) has said. But I wish to discuss part IV of the bill from another angle. To my mind it is the most useless part of this bill. The powers would be equally strong if sections 39, 40 and 41 were not in the bill. We have here the powers given to the commission in the matter of national health—nothing but a glorified post office and secretarial bureau looking to consultation with provincial health authorities concerning health insurance in Canada. What is there in these sections that actually advances or promotes the cause of national health in Canada? Nothing. The Prime Minister knows as well as I do that certain provinces have at the present time well considered schemes of health insurance actually prepared for most comprehensive investigation. As to the duties and powers to be exercised by the commission through co-operation with the Dominion Council of Health and the various provinces, surely one would expect that to happen automatically. The commission is going to carry on this unemployment insurance scheme and in the main the provinces are charged with the administration of health, with the exceptions mentioned by my hon. friend from Quebec East.

Then section 40 states that it shall be the duty of the commission to collect information and data. I would suggest to my right hon. friend that in my own province we have been collecting information and data from every country in the world for the last two and a half years. We have all the necessary information and data now; we have legislation drafted as the result of a most comprehensive investigation. I really resent this section, because it is nothing but eyewash, the whole part IV of this bill. Here this commission are going to be set up, but they are not being instructed to proceed by way of cooperation with the various provincial health authorities in order to develop a real system of national medicine and health. The objectives of the commission are to become a post office, a secretarial bureau, to cooperate with the existing authorities and then to analyze and make available to any province, corporation or group of persons interested the information collected. It is not now a matter of not having the information; it is a matter of not being able to act upon the information at our disposal, largely through lack of financial resources. This is not what we were led to expect by the tremendous protestations of the Prime Minister in that first fine fervour

of atmospheric grandiloquence in which he indulged during the Christmas festivities, when he promised the people of Canada not only insurance against unemployment but also health insurance, invalidity insurance and, insurance against old age. Here, if you please, is his glorious contribution; here is the contribution of his government to the great cause of health insurance in the Dominion of Canada. The Prime Minister knows that I have been very friendly to many of the sections in this bill. I have cooperated to my utmost, because I believe in the principle of unemployment insurance, but when I see this thing, part IV of this bill, as the contribution of this government to the cause of health insurance in Canada, Mr. Chairman, it occasions me the most profound disappointment but very little surprise.

According to section 41 the commission from time to time may submit to the governor in council proposals for cooperation by the dominion in providing any of the benefits enumerated in paragraph (a) of the preceding section, for such action as the governor in council—just listen to this—is authorized to take. I think for the first time that is an admission by the Prime Minister of some other jurisdiction. The section goes on to provide that the commission may undertake special investigations in this regard, subject to the approval of the governor in council concerning the scope and nature of each such investigation. In my humble judgment part IV of the bill is completely useless with regard to the practical application of measures for the development of national health insurance in this dominion. The Prime Minister knows as well as I do that when the Liberal government of England passed that first great bill in 1911, the one scheme effected both national health insurance and unemployment insurance. That joint measure came into effect in England on the first day of July, 1912, with unemployment insurance affecting some 2,250,000 and health insurance affecting some 13,000,000. In 1920 or 1921 unemployment insurance was extended in the old land to cover practically the same number covered by health insurance. But honestly, Mr. Chairman, if there is any merit in this bill, with its limitations, its reservations and its uncertainties, so far as unemployment insurance is concerned, there is absolutely no merit in part IV, because it gives the commission that is to be set up nothing more than the power to consult, to confer, to cooperate, to become a glorified post office, a bureau of information--doing nothing constructive, nothing emphatic and nothing progressive to bring about what we have wanted for years, and what my hon. friend from St. Boniface (Mr. Howden) has been advocating for the last four years, a real scheme of national health insurance in the Dominion of Canada.

Mr. HEAPS: I am rather disappointed in part IV of the bill, and I quite agree with some of the remarks made by the previous speaker (Mr. Mackenzie). I do not know why this part was included in the bill, unless it is simply a preface to something of greater importance. But if part IV is to remain in the act could we not amend it in such a way as to give far more power to the commission than they are to have under the present measure?

Mr. MACKENZIE (Vancouver): They have none now.

Mr. HEAPS: They have none, as my hon. friend has remarked, but I think some provision should be inserted which would empower the commission to give grants in aid to the provinces or municipalities that have in force health insurance schemes. If British Columbia decided to inaugurate a scheme of health insurance then I think the commission ought to have power under this section to make a contribution to that province in order to further any such health insurance scheme. I think it would be entirely within the jurisdiction of the federal government to do so; I believe on several occasions the Prime Minister has stated in this house that the government have power to make grants to the province if they see fit so to do. As a matter of fact on previous occasions we have given grants to the provinces, I believe, in aid of certain health matters coming under the jurisdiction of the provincial authorities. I understand that several provinces are considering certain matters pertaining to provincial health insurance measures. If the federal government, through the commission, could set up a standard of health insurance satisfactory to all parties, that might be adopted by the provinces in order to have such legislation as nearly uniform as possible throughout the length and breadth of the dominion, it would be a very great piece of work, and some provision should be placed in section 4 of the act which would empower the commission to make the necessary grants out of the federal exchequer towards health insurance in the various provinces.

Mr. LAPOINTE: But what would be the use of this parliament if any commission is to have the right to grant the people's money as it pleases?

Mr. HEAPS: There may be something in what my hon. friend has said, but I presume these grants would come under the jurisdiction of this House of Commons.

Mr. LAPOINTE: We have a minister of health.

Mr. HEAPS: We have a federal minister of health, it is quite true, but he does not consider health the important part of the activities of the Department of Pensions and National Health; to-day he is most concerned with the question of pensions. So far as the grants are concerned, I think items could be put in the estimates each year, as items are put in at the present time for other purposes of national welfare and well being. Perhaps the Prime Minister might consider amending this part of the bill so that parliament or the commission would be able to make grants to such provinces as adopt provincial schemes of health insurance.

Mr. HOWDEN: I am afraid I fail to appreciate the significance of part IV of the bill; certainly it seems to have no application to the health of the Canadian people. One would hardly think it was inserted in the bill for the purpose of leaving the impression that the measure embodies national health insurance, though it may be that this is leading up to that objective. What I should like to point out particularly is that the class of people who will be affected by this insurance are those who will be expected to pay their way, to pay their hospital bills and their medical fees. From the wages they earn, or from the insurance they will be paid, it will be impossible for these people to pay their way in the case of illness. The English act provides certain sickness benefits by way of the payment of the fees of medical men who make calls. Since people of this class are so helpless in a time of illness it seemed only reasonable that some provision should be made for them. It may be that the government has in mind a scheme of sickness insurance, but up to the present time we have heard nothing of it.

In the event of our not having any form of sickness insurance and not adopting any scheme of state medicine, or anything of the kind, it will be impossible for the men affected by this measure to pay their way and to meet their obligations during the periods when they will be unemployed. It seems to me that hon. members who have preceded me have stated the fact when they said that part IV of the bill means nothing. As the hon. member for Comox-Alberni (Mr. Neill) said, a stenographer could do all the commission is asked to do, namely gather in a few reports and certain information and pass it on to those who may desire it. It would be more reasonable to have a definite policy with regard to the care of the sick, and particularly those who will be affected by this measure.

Mr. WOODSWORTH: In the preamble to the bill I notice the following:

> And whereas it is essential for the peace, order and good government of Canada to provide for a national employment service and insurance against unemployment, and for other forms of social insurance—

And so on. I should like to know what other forms of social insurance are contemplated. So far we have had nothing but unemployment insurance, and yet the preamble to the bill suggests that there are other forms of insurance. The Prime Minister should tell us what the wording of the preamble means. If this section is to be worth anything we should give some meaning to section 40, subsection (a), subparagraph (ii), "compensation for loss of earnings arising out of ill health, accident or disease." If we had such provision in the bill it would be worth something and would be somewhat in harmony with the suggestions made in the radio speeches.

An hon. MEMBER: Suggestions?

Mr. WOODSWORTH: Yes, if you wish to call them suggestions—adumbrations of something to come. But unless this provision is carried out I would feel like moving for the elimination of part IV, because, as other hon. members have said, as it stands it is useless and gives a false impression. It leaves the impression that something is being done in this field, where as as a matter of fact, as the Prime Minister has admitted, the government in this measure does not in any way commit itself to the type of insurance now under discussion. That impression ought not to go out in connection with the bill.

Mr. MACKENZIE KING: A moment ago the hon. member for Vancouver Centre (Mr. Mackenzie) referred to what he described as a sort of promise made by the Prime Minister in the radio speeches with respect to what was to be done in matters of national health. The hon. member for Winnipeg North Centre (Mr. Woodsworth) has just referred to something respecting health in the preamble of this bill which would seem to amount to a promise. I happen to have in my hand the speech from the throne, and I should like to read therefrom what appears there also as a promise.

Better provision will be made for the security of the worker during unemployment, in sickness, and in old age.

I should like to ask the Prime Minister whether part IV of the measure covers that extra security for the worker in sickness, or if he intends to bring down during the present session other measures which will have the effect of implementing that part of the speech from the throne and if so, what they are?

Mr. SPENCER: Before the Prime Minister speaks I should like to associate myself with other hon. members in criticizing the very small reference made in the bill to the matter of health. Probably—and I hope it is true—this is not the only reference to health the government intends to make. If it is the only health measure, then I am quite sure a large number of people throughout Canada will be very much disappointed in the government's action. Of course the government's program is not before us, and possibly at this time we are unjust in making any criticism with regard to what it may do in the matter of health measures. I am basing my present remarks on the fact that this is the only reference which has been made concerning national health, and it seems to me if no other reference is to be made the one now before us is, to place the best construction upon it, only a pious hope that the commission will cooperate with other institutions. I pointed out only a few weeks ago that the subject of health has been discussed in this house no less than seven times in only a few years. On three occasions resolutions on the subject have been agreed to. I trust this is not the only reference which will be made to health, and that in the near future the government will bring down a worth while plan for taking care of the health of our people.

Miss MACPHAIL: Mr. Chairman, if nothing more is to be added to part IV it would be better not to have it in the measure at all, because its high flown title, "national health," signifies nothing. When one reads the few sections in this part one may readily realize that it is only a data collecting agency. I am not so sure that that is going to help the people who are ill and need medical care. Unless something more is to be done—and we know that through the years the government has specialized in high flown titles, with little following after them—we might as well eliminate part IV altogether. In the Kingston Whig Standard of February 18 I read the other day about the system of socialized medicine or state medicine, whichever you choose to call it, in Sweden. There are two or three points in the article I should like to place on Hansard. The article states:

The present form of socialized medicine in Sweden was established during the sixties and seventies. Of all the social legislation in Sweden it is the earliest and grew naturally and painlessly out of the older system.

Here are some of the figures showing costs to people under medical care in Sweden:

A patient may lie in a ward at any hospital for as little as 2·50 crowns a day (70 cents), and receive the care of the best specialists without any further charge. This rate is unusually low compared to the private hospitals such as the Red Cross, which takes 20 crowns a day.

Then it goes on to say:

An operation for appendicitis in Sweden costs no more than $8. The clinics operating in connection with all the large hospitals are on the same basis, with a straight rate of 2 crowns or 30 cents for each visit.

Then follows the story of the county hospitals.

Sickness insurance has been established in Sweden since 1891. It is not the obligatory kind which began in Germany in 1883 and found its most inclusive organization in the English law of 1912.

It is clear to any person following the subject that Canada is far behind many other countries in the care we give to the sick. I feel so strongly on the subject that I believe, in the present measure, it would be better to make no reference to it than to insert the words "national health" as though something was being done about it, and then follow that heading by other words which do not seem to have anything but a very indirect bearing upon health matters.

Mr. MacINNIS: Mr. Chairman, I cannot altogether agree with the hon. member for Vancouver Centre (Mr. Mackenzie) when he says there is nothing definite in the bill. I believe there is something very definite in it, namely that it does not want to do anything, and it wants to do a lot of that.

Mr. MACKENZIE (Vancouver): For once we agree.

Mr. MacINNIS: The measure is supposed to be based on unemployment and health insurance measures of the United Kingdom. There seems to be a dread in the Prime Minister's mind that he might in some way or other overstep the provisions of the legislation in Great Britain. Now everyone knows who has had anything at all to do with municipal affairs in Canada that the health situation in this dominion is deplorable, and

it is getting worse. It was deplorable even before this depression began, and we all know what its ravages have been since that time. In every city and municipality in this dominion there are countless agencies which have for their purpose the gathering of funds in one way or another by charity, soliciting and begging, to take care of those who are too poverty stricken to take care of themselves. In some of the larger cities in the last few years attempts have been made to co-ordinate these activities, yet after all that amounts to nothing more than a rather more dignified way of begging than they had before. There is no reason in the world why this information gathering bureau should not have been put to work long ago. My hon. friend from Battle River (Mr. Spencer) introduced a resolution in this house year after year to that end, and my hon. friend from St. Boniface (Mr. Howden) did the same thing. It was not necessary to wait until now to get some body to gather statistics in regard to health matters.

I should like to read for the information of the committee an article in the Commerce of the Nation, of March, 1932. The article is by Frank G. Pedley, M.D., executive director of the Montreal council of social agencies. He has had considerable experience with the subject matter he discusses. First of all he touches on the difficulty, almost the impossibility, under our present system of giving everyone a wage sufficient to provide him with all the necessities and comforts of life, and he draws attention very definitely to the need of national health services. He says:

One aspect of the problem may be discussed, however, since it has a more strictly medical bearing and is supported by a great body of experience. I refer to the matter of sickness insurance.

When serious illness incapacitates the bread winner of a family a vicious cycle is apt to be established which inevitably leads to ruin, for illness results in loss of time and loss of wages; the curtailment of income debases the scale of living and this prevents the sick man from enjoying an environment suited to his recovery. Perhaps the sequence of things can be more clearly understood in the case of a hypothetical John Jones. Let us say that Jones develops tuberculosis. Jones, of course, does not know that he has tuberculosis at first. He may feel abnormally tired and out of sorts, but he has felt that way before and now that he is married and has some children he thinks twice before incurring a doctor's bill. If Jones lives in a city he can go to a free clinic, but free clinics are usually operated in the day time and it means loss of time and wages to attend one. Jones' $20 or $25 a week—

That was a high wage even in the time of high wages:

—is not sufficient to maintain himself and his family adequately even if he works full time. Jones, therefore, puts off seeing the doctor. We know he does this because most of the people in Jones' circle who die of tuberculosis have put off consulting a physician until within a few months of their death.

He probably carries on for a few months on patent medicines and finally sees his doctor. If the doctor is wise and capable the condition will be recognized and Jones will be advised to stop work and undertake treatment for six months or more. But the doctor might as well recommend a trip to Europe. The butcher and baker must be paid and Jones has not been able to accumulate any money for a contingency like this. It is true that he can apply to a family welfare association, if there is one in his town, but if Jones is an independent, self-reliant individual, of the breed we like to think Canadians are made of, he will refuse to apply to charity no matter how graciously it is offered.

The inevitable day comes when nature compels cessation of work and on that day the dissolution of the family begins in earnest. Mrs. Jones will leave the care of the home to take up casual labour, the children will leave school prematurely and another family will become submerged along with literally thousands of others.

Three things were wrong in Jones' case. His standard of living predisposed him to the development of the condition. He delayed too long in consulting a physician, and he failed to follow his advice when he did consult him. The reason in any event was financial. Medical fees are high in our country, nor is this because doctors get paid too much. The practice of medicine in this country is conducted in the most inefficient way conceivable. The doctor must charge you for the hours he spends waiting for you to consult him, for the hours he devotes gratis in hospitals and for the bills he cannot collect from your neighbour. The few minutes you spend in his office are only an item in the bill.

If a doctor were kept reasonably busy, was sure of most of his accounts and did not have to devote a substantial amount of his time to free work, his fee could be materially lower without any loss to him. However the doctor's fee was not the only barrier to Jones. Even if he had consulted the doctor early he could not have followed the necessary treatment without sinking into a morass of debt.

He goes on to say:

If one compares the case of a Canadian Jones with that of an English one the contrast is very apparent. In England at the first sign of indisposition Jones may consult the physician of his choice. He has paid for that right and there is no question of charity about it. If the doctor advises a holiday Jones can take one and he need not worry about the finances of the family, for a proportion of his wages will be paid at regular intervals and with no more loss of respect to Jones than there is to a woman who collects her husband's life insurance at his death.

Information on all these matters has been available to the Prime Minister for years,

yet here we are in a progressive country like Canada dragging along twenty years behind the old country. It is time we kicked out of it and did something worthy of a progressive country.

Mr. BENNETT: Strong language, Mr. Chairman, from a great many hon. gentlemen opposite.

Miss MACPHAIL: Not gentlemen only.

Mr. BENNETT: If there were any exaggeration in this house I am sure the hon. member for Southeast Grey would be associated with it; there is no doubt about that at all—anything either strong or abusive. It is amazingly strange, now that we are aiming to promote a national health policy, that it should thus be assailed. I ask this chamber two questions. I ask hon. gentlemen first to point to any line in any statute of this country that undertakes to deal with national health. That is number one. Number two: Is it possible under existing conditions, with machinery set up in the provinces and municipalities, to deal with the matter on that basis until such time as by the operation of this act arrangements can be made to deal with it?

Mr. MACKENZIE KING: Does not the Department of National Health deal with some of these problems?

Mr. BENNETT: It does not touch that at all. There are two questions to which attention might be directed. It has been suggested that the Department of National Health may deal with these problems, but the Department of National Health does not deal with them at all. If one will take the trouble to turn up the statute it will be seen that the department is given large powers but they are not powers of action with respect to the provinces. Let us see what we are aiming at. We are aiming at a national health policy. Hon. members who are medical men have pointed that out as desirable ever since I have been in this house. The hon. member for Battle River (Mr. Spencer) has done so. Now a national health policy involves the consideration of several factors, among them being, first, the position of the individual himself—not the question of the municipalities or the provinces, but the position of the individual himself and herself. The provinces have claimed, and I have not disputed it, that in respect to health they are in a better position to deal with individuals than anybody else. Result: in many parts of Canada you have municipal hospitals and you have travelling dental clinics. In many parts of Canada the provinces have established a sort of outpost for the purpose of caring for those who are ill. These are facts. How can you apply the national provisions of this statute with respect to unemployment to that health condition? That is the problem, and we believe we have tackled it in the only way in which it can by any possible chance be successfully tackled. I have heard the hon. member for St. Boniface talk about state medicine; I have heard the hon. member for Medicine Hat (Mr. Gershaw), the hon. member for North Winnipeg (Mr. Heaps) and the hon. member for Battle River discuss the subject. What do they mean by state medicine? Do they mean state doctors directed by the dominion, or by the provinces, or by the municipalities? Do they propose to deal with panels of doctors under the control of the dominion parliament or under the control of the provincial legislatures? None has said. We are dealing with actualities, with facts, with conditions as they exist, and we are endeavouring to lay the foundation for a national health policy. If any hon. member who has to-night decried these provisions will tell me how the foundation for this edifice can be laid except in the manner indicated I shall be obliged. Can we with one stroke of the legislative pen wipe out of existence all the provisions made by the municipalities and the provinces to deal with this problem—their hospitals, medical service, taxation to maintain them in cities, towns and villages? Take the province of Alberta with its hospitals, its taxation, taxation in the city of Calgary, municipal hospitals: how are these things to be dealt with? Are they to be wiped out with a stroke of the pen? This bill aims at laying the foundation for a national health insurance; that is its purpose. But will any hon. member point out how it can be done except as indicated here?

Mr. MACKENZIE KING: I will.

Mr. BENNETT: I will give the right hon. gentleman full opportunity to do so, and if he desires that I sit down while he does it I will. Let us proceed a step further. This is a national unemployment measure. In the provisions of these sections it deals with the conditions of individual employed persons throughout Canada, and there is no method by which the same definite information of a national kind can be obtained which is at all equal to that provided for in these two sections, 42 and 43. That is what they are there for. We are proceeding to meet a condition and not a theory. If this were new territory, if this were a virgin page we were turning over, as unemployment insurance is, you could say many things

that would be just and fair criticism. But when you are dealing with the provisions made for hospitals at the present time, grants in aid, provisions with respect to the maintenance of health, at least in these provinces, and when the statement is made to us by many of the provincial premiers that they propose to deal with a scheme of health insurance, what are we to do? What do we propose to do here? We propose to lay the foundation for a national health measure, and you cannot do that in a night; nor have we in all the departments of the public service the information that would enable any scheme of health insurance to be adopted. The census figures in 1931 were prepared so as to enable us to deal, with some degree of actuarial certainty, with the problem of unemployment insurance, which has been discussed in this country for a considerable time. We now have the information based on that census. But I say to this committee with perfect frankness that we have no such information with respect to a system of health insurance.

Mr. MACKENZIE (Vancouver): We have in our province.

Mr. BENNETT: I know what they have there, because they have talked the matter over with us. The preceding government discussed the matter at some length and Doctor Young—I hope he is still living—as long as fifteen years ago was endeavouring to accumulate the information that would enable them to deal with the problem. Now, laying the foundation as we are, we propose to proceed with the accumulation of knowledge that never has been gathered before in the terms in which it will be gathered here; and secondly, not to impose this structure of health insurance upon that body of information. For what would happen if the government brought in a bill dealing with health insurance, having regard to conditions in the provinces and their facilities? What we do propose to do is to follow that to its logical end and, in the first instance, to do what one hon. gentleman suggested—I do not know where he derived his information—give such assistance to the provinces at this time as will enable them to coordinate their efforts with this plan. And I believe that ultimately it will be found that the provinces, in their desire to coordinate and to cooperate, will in all probability place the administration, the broad administration, not the detailed administration, with this commission. But to do it now, without having anything further than we have at the present time, would be ridiculous.

We are endeavouring to attain the very object which members of this house have asked for; we are endeavouring to reach the end which they so much desire; and we are met with this suggestion, "Wipe it out; don't pay any attention to that; we would rather see it taken out of the bill altogether". They do not want to lay the foundation but to build an edifice hanging in the air, to swing in space and fall down. Does the committee seriously consider what is involved? The strong language of the hon. member for Vancouver Centre (Mr. Mackenzie) does not improve the situation. His strong and vigorous and, I think, wholly unwarranted attacks against myself on public platforms are wholly unworthy of a former cabinet minister and a member of the profession to which I belong. But that is not a matter of importance; I mention it to-night only because he has seen fit to talk in his usual—I would not use a harsh term—irresponsible language.

Some hon. MEMBERS: Oh, oh.

Mr. BENNETT: I say that deliberately, because it must have been irresponsible. Now, you have here an earnest effort to achieve an end; and the thanks we get for endeavouring to achieve it is to be told, "Wipe it out." Why in the name of common sense should you say that because one set of men are endeavouring to grapple with a situation it is wrong, whereas if another set of men grappled with it it would be right? It does seem very strange, does it not? I ask each one of the members opposite me from the various provinces to take these two sections and apply them to the facts in their respective provinces and to ask themselves whether they know of any method by which, honestly administered with the cooperation and aid of the federal authority, both financial and otherwise, you could lay the foundation for a scheme of national health. When the proper time comes, if the minister succeeds in his endeavour to bring about some concerted plan of effort, we will take the necessary steps to assist in seeing that it is carried out—whether through this commission or whether through the provincial health departments, depends entirely upon the attitude of the departments. And the reason this goes no further than to lay that foundation is that we are unable to speak with any degree of authority as to their views. At one time they express one view, at another time another, and on another occasion still another, depending very largely on the political complexion of the governments that express the views. Here you have the purpose

of these sections and the reasons for them, and I do assert, and I think I can say I make the assertion in such a way that it will be very difficult reasonably to answer it, that the only logical and effective manner of laying the foundation for a national health scheme is found here, plus the effort of the minister, and the result of his endeavours for coordination, to determine whether or not the assistance to give medical care and attention to those who so much require it shall be made through the commission with respect to those who are injured, and none others, or in the larger sense through assisting the Department of Health to care for all its people.

Mr. MACKENZIE KING: My right hon. friend says that the purpose of these sections is an effort to achieve an end, that end being to lay the foundation of a scheme of national health insurance. I said I thought I could show him that in considerable part the foundation had already been laid. I think the real exception that is being taken to what my right hon. friend has in this new bill is that it is all superfluous. What there is that amounts to anything in it has already been enacted. The place one would naturally expect to find the foundation of a scheme of national health would be in an act of this parliament respecting national health. That act I have before me. The original act respecting national health was passed I think fifteen or twenty years ago. I am now quoting from the Department of Pensions and National Health Act which will be found in the Statutes of Canada for 1928, chapter 39. Part II, which deals more particularly with national health, contains the following provision:

The duties and powers of the minister—

That is the minister of national health. We have the Minister of National Health sitting just alongside my right hon. friend at the present moment, and I should think he might be considered the cornerstone of the foundation.

The duties and powers of the minister under this part shall extend to and include all matters and questions relating to the promotion or preservation of the health of the people of Canada over which the parliament of Canada has jurisdiction, and, without restricting the generality of the foregoing, particularly the following matters and subjects:—

(a) Cooperation with the provincial, territorial, and other health authorities with a view to the coordination of the efforts proposed or made for preserving and improving the public health, the conservation of child life and the promotion of child welfare.

That is pretty comprehensive; it includes all matters and questions relating to the promotion or preservation of health and cooperation with the provinces, territories, municipal and other health authorities, the object being to coordinate the very thing my right hon. friend says he has in mind in this bill—the coordination of all these effeorts.

Mr. ERNST: For what purpose?

Mr. MACKENZIE KING: For the purpose of the preservation of the health of the people.

Mr. ERNST: Not for health insurance.

Mr. MACKENZIE KING: A further provision, paragraph (h) is as follows:

Subject to the provision of the Statistics Act, the collection, publication and distribution of information relating to the public health, improved sanitation and the social and industrial conditions affecting the health and lives of the people.

How could anything be more comprehensive than that? If anything more were needed, it is to be found in the next paragraph, which is (i), as follows:

Such other matters relating to health as may be referred to the department by the governor in council.

All my right hon. friend has to do—he is the governor in council—is to refer to the minister the provisions of part II of this unemployment insurance act, namely the sections relating to national health, and the Minister of National Health will have all the power this act gives to anyone. Under the National Health Act he has power now as respects national health to refer to his minister for the purposes of investigation, coordination and collection of information and data any matters relating to health he may wish to refer.

Now to revert to the bill we are considering, there are, under the part dealing with national health, five sections. As indicated by the marginal notes, the first is "cooperation in matters of health and health insurance." That has already been covered by what I have read. The next is "to collect information and data." That also has been covered. The next is "to make information and data available." That has been covered. The next is "to examine and report on proposed scheme." That has also been covered. The last is "proposals to governor in council: special investigation." That has also been covered. Therefore everything that is in part IV of this bill is already in the act which has been on the statute book for nearly a couple of decades and is now in full force and effect under the direction of a responsible minister of the crown.

Mr. HOWDEN: The Prime Minister stated a few moments ago that although a number

of members on this side of the house had made speeches on state medicine and health matters, no proposal had ever been submitted to the house for the application of a form of state medicine.

Mr. BENNETT: No measure has been submitted to the house.

Mr. HOWDEN: I have a distinct recollection of having addressed the house on state medicine in 1931, and if I am not badly mistaken I made definite proposals with regard to how state medicine could be applied. The need for medical attention and state medicine or health insurance has never been so great as it is at present and has been for the last number of years. The only reason most of the provinces have not to-day a complete and efficient system of state medicine is that they cannot afford it. I have suggested in this house and have heard others suggest that if this federal authority, as in the case of old age pensions, were to submit to the provinces a proposal offering relief under the stipulation that they should adopt a standard system of health insurance or state medicine, it would be rapidly and readily taken up. Is the health of the Canadian people a matter of no interest or responsibility to this government? If so, then I need say nothing further about it.

Mr. BENNETT: Why "this government"?

Mr. HOWDEN: The federal government; that is what I mean.

Mr. BENNETT: That is better.

Mr. HOWDEN: If it be a matter of interest or responsibility to the federal government, there is no question that if we extend offers of assistance to the provinces with the stipulation that they adopt and agree to a standard of service, they will be ready to take up such a proposition.

Mr. BENNETT: I suppose it is unnecessary to remind the committee that nothing has been said touching the question of health insurance, either in the statute from which the right hon. gentleman read, or in the observations made by the hon. member for St. Boniface. If this committee is anxious, as I believe it is, to assist in the discharge of the duties of the state to those who are laid aside by illness, it will realize that here are practically 2,000,000 people affected by this unemployment insurance measure. That means definite, exact information with respect to 2,000,000 people, which we are asking this body to collect. It will depend upon the extent of the knowledge thus ascertained whether and to what degree the federal power may be able to engraft upon this scheme of unemployment insurance, health insurance as well. I am not going to disclose at the moment the extent to which we propose to deal with that in another way later, beyond saying this, that in this country at the present time nine different views are expressed with respect to health. Starting in British Columbia, I recall that at least fifteen years ago a suggestion with regard to health insurance was vigorously asserted in various parts of that province. The financial difficulty is the one that has been set up as preventing the province from carrying this out. In Alberta it has been made a municipal matter, and in Calgary the hospital tax is part of the taxes we pay annually. In outside communities they gather together municipalities for that purpose. In Saskatchewan they have something of the same system. In Manitoba it is slightly different. In Ontario they have specially directed efforts towards ensuring the health of the people through the activities of the health department itself. In Quebec it is much the same, except that the voluntary hospitals are perhaps more numerous. In the lower provinces the situation is something the same, except in Prince Edward Island. I put this again to the committee: This dominion, when the information is adequately in hand, may be able, as incidental to this unemployment insurance scheme, to take care of the health of all those covered by this insurance. That is the reason that part IV is in this bill. Ordinary reading of it, I think, would at once disclose that fact. But inasmuch as the provinces have done what they have, and have not indicated their willingness to lessen in any sense their activities, but only to ask us for money for them, how can you under this statute correlate these activities unless there is some understanding? What is pressed upon us is this—the right hon. gentleman knows; it was pressed upon him when he was Prime Minister—that grants should be made to this institution and to that, to this organization and to that—$10,000, $15,000, $20,000 or more, for the purpose, they say, of enabling them to carry on propaganda with respect to the health of the people. I do not think that will accomplish what is aimed at. It does not touch the sick, except with respect to the social service to which I directed attention last year, on the transfer of the work that was being done by the department that was not able to touch the people to the body that did touch them directly. I put it to the committee whether on reading these clauses carefully they do not realize that the purpose is clear, namely, in the first place to accept responsibility when the responsibility is known, but not to accept it until

it is known; and in the next place to exercise such care for the health of those insured under this measure as may be necessary to the discharge of the duty of the federal government with respect to a federal scheme, thereby relieving the provinces of their obligation. That may or may not be acceptable to the provinces which impose taxation upon those who may be receiving the benefits under this statute. That is a matter that will have to be settled, and the minister has been endeavouring to arrange a conference for that purpose. But this house will not have risen before there is an indication of just what is meant in regard to the application of these sections. If the provinces do not express a desire to carry it on themselves in their own way, then a grant for the purpose of enabling the commission to give such medical attention as may be necessary to those insured will appear in the estimates.

Mr. MACKENZIE KING: The Prime Minister says that in the act which I have read there is no reference to health insurance. But there is a reference in the act—I have read several—to all matters and questions relating to health, and health insurance is one. I think, therefore, the Prime Minister will agree that the act is quite broad enough to cover the collection of information with respect to health insurance or any other aspect of health matters.

Mr. LAPOINTE: On he 17th of January last we had the speech from the throne, which said that—

> Better provision will be made for the security of the worker during unemployment, in sickness and in old age.

On the very same day, January 17, President Roosevelt sent a message to congress in which he also recommended the following types of legislation looking to economic security.

> 1. Unemployment compensation.
> 2. Old age benefits, including compulsory and voluntary annuities.
> 3. Federal aid to dependent children through grants to states for the support of existing mother's pension systems and for services for the protection and care of homeless, neglected dependent and crippled children.
> 4. Additional federal aid to state and local public health agencies and the strengthening of the federal public health service. I am not at this time recommending the adoption of so-called health insurance, although groups representing the medical profession are cooperating with the federal government in the further study of the subject and definite progress is being made.

I call attention to the fact that the subjects of the proposals in both messages are exactly the same. Of course it is a happy coincidence that great minds should meet on the same proposals on the very same day, but they do not deal in the same way with the proposals suggested. First, on the question of unemployment insurance, the bill at present before congress is one which will work in cooperation with the states. President Roosevelt, although charged with being dictatorial in his methods, does not go to the extent of making it entirely a federal matter without the cooperation of the states; he works in cooperation with the states. But when it comes to health insurance, although he says he cannot recommend the adoption of so-called health insurance he goes further than my right hon. friend in order to fulfil his pledge. He gives aid to the states in various matters, In the Wagner bill, which is the bill before the Senate of the United States embodying the proposals of President Roosevelt, there are the following amounts as federal aids to the states in matters of health:

	Per year
Mothers' assistance..	$25,000,000
Maternal and child health.. ..	4,000,000
Crippled children..	3,000,000
Child welfare..	1,500,000
Public health..	10.000,000

That is what he is doing by way of subsidy to the various states of the American union. So I say that although by a happy coincidence the same measures presented themselves to the minds of both President Roosevelt and the Prime Minister of Canada, they are not redeeming their pledges in the same way. If it is possible for President Roosevelt, if not to establish a scheme of health insurance at least to give aid to the states in matters of health, the same thing is possible here, and we would not break through the constitution by doing it.

Mr. HEAPS: There is to-day throughout this country a very serious state of things in regard to health. In the large industrial areas thousands upon thousands of men, women and children are unable to obtain medical services. On the other hand, as I know of personal knowledge, quite a considerable number of members of the medical profession are compelled to become recipients of public relief. Such is the case in Winnipeg, and I believe it is the same in other cities. The same condition obtains in agricultural areas. It is almost an impossibility for a farmer to-day to afford medical attention, and the plight of the medical men in the rural areas is almost as bad, I understand, as it is in many large industrial centres. I am glad, however, that the Prime Minister has stated to the committee this evening that the government have

under consideration further proposals in regard to health insurance which they intend to submit to the house later in the present session. I hope I have not misunderstood the statement of the Prime Minister. If that is the intention of the government perhaps it will be as well if we wait until the government brings down what the Prime Minister has intimated, a scheme to give assistance to the provinces to provide a more or less national scheme of health insurance.

Mr. BENNETT: The hon. member for Quebec East (Mr. Lapointe) has just made observations which I think upon reflection he will see are greatly at variance with those of his leader. I am surprised that there should be such difference of opinion, because only a few weeks ago the right hon. gentleman declaimed very strongly against one body in the state collecting and a different body expending public funds. That is within the memory of every member of this committee, and I am bound to say that there is a very great deal of force in those observations. I have always reckoned with that and have so stated frequently in this chamber. We are endeavouring to escape that very thing. In the United States a message was sent to congress indicating that there was a situation that should be dealt with; then, out of their great riches they simply said, "Divide $25,000,000 among the states for this, $10,000,000 for that and $20,000,000 for that." That was all there was to it; it was very simple. We are endeavouring to conform to these fundamental constitutional views that we have had with respect to expenditures, and we will continue to do so as long as we are here. What we do say is that if the information called for by this bill were available to us to-night we could place in the estimates provision that would enable the federal power to deal with those who are insured under this act, numbering possibly two million people. That, in my judgment, is the first approach to a national insurance scheme.

Mr. MACKENZIE KING: The minister could have collected all that information in the last couple of years.

Mr. BENNETT: But as a matter of fact I am pointing out to the right hon. gentleman that this information is not as readily available as he thinks. If he had to try to get it he would realize that. I wonder if he realizes that it was just because of what has been said in this country from time to time by both parties that in the census of 1931 we did provide a column in regard to unemployment, and the whole scheme that we are now submitting to this house has been predicated upon the information thus obtained, as of the first of June, 1931.

Here is the strange anomaly, and I am going to put it to gentlemen who are fair minded. I wonder how many have read the reports of the insurance companies of this country; I wonder how many have observed that our length of life is far greater than the expectation, and that the companies have added greatly to their reserves by reason of the fact that the expectation of life is far more than realized. Never has insurance been so largely bought in Canada as it has been in recent years; I do not say the last year or two, but in recent years. The strange anomaly is that the reports of the insurance companies year after year indicate that their mortality is far less than their expectation, and that as a result their reserves have been greatly increased. If our health condition is as bad as has been asserted, how is it that continuously, according to the mortality tables issued by the provinces, the mortality among children under the age of five and the number of deaths from various diseases, have not shown that increase which one would expect from the tales that are told? I ask medical men on both sides of the house to look at the figures. The vital statistics departments of the various provinces have circulated their figures from time to time, and I must confess that I was greatly surprised by them. The chairman of this committee is a medical man. I do not think it will be any breach of confidence if I say that I was inquiring of him as to what had been the result in the border cities, so far as the health of the people was concerned, of the depression through which they had passed and the sort of diet that had been provided by the authorities. To my surprise I found that what he reported to me as to the health of the people was borne out by experience in other places; that is, the regular diet of good, plain food had given the children in schools an amazing health. I confess that I was surprised also when I saw the figures in regard to the older people.

All this is highly valuable in respect to the determination of many questions with respect to diet, hygiene and matters of that kind. The other day one of the foremost English doctors said the kind of clothes women are now wearing, as compared with those worn twenty-five or thirty years ago, has greatly lengthened their lives.

Mr. MACKENZIE KING: What is the difference?

Mr. BENNETT: There is a difference in weight, and matters of that sort. I will leave it to someone else to explain that, but the doctor was pointing out the results.

To get back to this measure, the pensions and public health acts are one thing. This is an effort to tie the information and experience with respect to unemployment insurance to health, based upon actual experience. The hon. member for Winnipeg North Centre suggested that I had said certain things would happen willy-nilly. I said if the provinces were prepared to make it possible we would submit to this house in due season legislation that would deal with the phase of the matter to which I was referring. Beyond that I cannot go.

Mr. WOODSWORTH: It does seem to me that although the Prime Minister may have it in mind to bring in something of this kind in the indefinite future, that is not sufficient for us at this time. It is all very well to point out the obstacles that may be raised by the various provinces or that may confront any administration which seeks to correlate the activities that are now going on, but on the other hand large numbers of our people are suffering very severely at the present time. It is all very well to talk about women's clothing to-day lengthening life; it is all very well to talk about the health of our school children improving. That may be all true, but those of us who have had anything to do with municipal affairs know perfectly well that to-day the situation, at least in the western part of this country which I know best, is becoming desperate.

Some hon. MEMBERS: Oh, oh.

Mr. WOODSWORTH: Yes, that is not putting it too strongly. It was only a few months ago—and I think my hon. friend from St. Boniface will corroborate this—that the doctors in my own city of Winnipeg threatened what might be called a strike, saying definitely that unless the authorities came to the rescue and provided definite assistance for those who were unemployed and otherwise in need of assistance the doctors would not continue to give any help whatever to the unemployed or needy. In other words, the doctors said they were not going to continue to carry the load. Our municipalities did try to do something in the matter, but the western municipalities are on the verge of bankruptcy and cannot much longer continue to carry this load. There are large numbers of men who are almost desperate. There are large numbers of women whose health is being permanently impaired. I do not know what kind of dresses they wear. It is all very well to talk in a general way, covering long periods of years, but I know that to-day the health of large numbers of women is being permanently impaired because of their inability to undergo operations and to secure proper medical treatment. I know these reports come in from almost all our cities. A year ago Doctor Bates, who was here representing a large dominion organization, presented statistics that clearly demonstrated the conditions existing across Canada. Are we going to wait another five years before we get anything? As the Prime Minister was speaking I thought of the report of the select standing committee on industrial and international relations as far back as 1929, six years ago. I am going to take a few moments to read that report. It was the second year this question had been considered by the committee. We had prominent health officials before the committee, including Doctor Grant Fleming of Montreal and Doctor Fitzgerald of Toronto, and this was the report of the committee:

> Your committee would reaffirm the position taken in the final report adopted on June 6 of last session, namely—

That was seven years ago.

> 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.

This was under a Liberal regime.

Mr. LAPOINTE: It is still so.

Mr. WOODSWORTH: That is still the position of the Liberals? Then if my friends the Liberals are going to sit there and take that position, this country may well ask itself whether it should commit its future to a party which refused to take action on one of the most important questions confronting the people of Canada.

Mr. LAPOINTE: That is not the question at all.

Mr. DUPUIS: That is not the point.

Mr. WOODSWORTH: It has a bearing on the point, because the Liberals were in power for several years after this report was issued,

and so far as I know they took no action whatsoever to implement it. I feel a bit indignant when I find the Liberals of to-day hammering the government because of what the government is attempting to do.

Mr. LAPOINTE: What are you doing?

Mr. WOODSWORTH: As every hon. member knows, we have only a small group, but we have tried in season and out of season to urge that the interests of the people should be protected.

Mr. DUPUIS: Is the hon. member satisfied with this legislation?

The CHAIRMAN (Mr. Morand): Please address the chair.

Mr. WOODSWORTH: I am not satisfied with this legislation. As I have said, I would gladly see this section eliminated because it seems to me that by including the section the government is giving a false impression. That is why I am speaking now. At the same time, I say that the Liberals are not proving very helpful when they are standing pat, as they did before, on purely technical and constitutional questions, and not offering any way out. Let me proceed with this report—

Mr. VENIOT: What is the date?

Mr. WOODSWORTH: It is the 1929 report.

Mr. VENIOT: You should correct your statement; you said the Liberals were in power several years after the report was issued.

Mr. STEWART (Leeds): There was one the year before that.

Mr. WOODSWORTH: This report is dated Wednesday, May 1, 1929.

Mr. VENIOT: That is not "several" years.

Mr. BENNETT: There is one before.

Mr. WOODSWORTH: I would say it was; this report reaffirmed the position taken by the committee in the previous year. It continues:

> 3. Your committee find 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.

That is the practical difficulty; that is true to-day. The provinces are not prepared to take immediate action.

An hon. MEMBER: Some of them are.

Mr. WOODSWORTH: They have come a little nearer to it since 1929.

An hon. MEMBER: British Columbia.

Mr. WOODSWORTH: British Columbia is the exception.

The CHAIRMAN (Mr. Morand): Hon. members must address the chair.

Mr. VENIOT: Were you not a member of that committee?

Mr. WOODSWORTH: Yes I was.

Mr. VENIOT: That is a unanimous report.

Mr. WOODSWORTH: Yes, it is a unanimous report.

Mr. DUPUIS: Very good.

Mr. MACKENZIE (Vancouver): Why condemn the report, then?

Mr. WOODSWORTH: I am not.

Mr. LAPOINTE: He is condemning the Liberal party.

Mr. WOODSWORTH: My point is, as I shall show in a minute if hon. members will have the patience to listen, that the action contemplated by this clause now under discussion was clearly before the country in 1929. The report continues:

> 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 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 cooperation of the provincial and municipal health departments, as well as the organized medical profession.

Since Liberals have been interrupting me, I ask them this: Since their government was in power for nearly two years after this report—

Mr. MACKENZIE (Vancouver): One year.

Mr. WOODSWORTH: Did they take any action towards implementing that report?

Mr. VENIOT: Only one year.

Mr. WOODSWORTH: The recommendation was first made in 1928, and then the principle was reaffirmed in the report made the following year.

Mr. MACKENZIE (Vancouver): You are reading from the 1929 report.

Mr. WOODSWORTH: Did they take any action?

Some hon. MEMBERS: No.

Mr. LAPOINTE: Yes, they communicated with all the provinces.

Mr. WOODSWORTH: Let me say to the ex-Minister of Justice that the provinces had been communicated with the year before, and this report was issued after replies had been received from them.

Mr. LAPOINTE: But we cannot change the constitution as easily as my hon. friend, or the Prime Minister.

Mr. WOODSWORTH: Then we have the following recommendation:

(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.

If the Prime Minister had desired to do so he could quite easily have included the matter of sickness with that of unemployment. I do not know how far it was included in the census schedules, but there was the same opportunity for securing data with regard to sickness as for securing data concerning unemployment. Then:

(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.

For at least a year after the report was issued—pretty nearly a year and a half—Liberals had the opportunity to do something.

Mr. MACKENZIE KING: They did communicate with them.

Mr. WOODSWORTH: It was not a question of communicating; they had been communicated with the year before.

Mr. MACKENZIE (Vancouver): No.

Mr. WOODSWORTH: There was a definite recommendation, which I believe passed the house, to the effect that there should be a dominion-provincial conference, and that at that conference there should be representatives of employers and employees. So far as I know that was not done; I never heard of it. It was not mentioned in the press, and if any action was taken there must have been a secret conference. On the other hand, in the last four years—almost five—there have been various conferences between the dominion and the provincial governments, but apparently these questions of sickness insurance and national health have not been placed on the agenda.

Mr. MACKENZIE KING: Does not the hon. member recall that in the supplementary estimates of 1930 a special amount was provided for a dominion-provincial conference to be called for that among other purposes?

Mr. WOODSWORTH: I do not recall it.

Mr. MACKENZIE KING: If the hon. member will look he will see.

Mr. WOODSWORTH: I am content to accept the word of the right hon. gentleman.

Mr. MACKENZIE KING: And he supported it.

Mr. WOODSWORTH: I am quite sure I would support it, if it was brought up. I had forgotten about it.

Mr. BENNETT: There is no mention of health.

Mr. MACKENZIE KING: Social questions.

Mr. WOODSWORTH: I do not know just what was included.

Mr. ERNST: We have the unusual spectacle of the Liberal Samson glorying in the Delilah of the constitution.

Mr. DUPUIS: Wait your turn.

Mr. WOODSWORTH: How long have we to wait? In 1928 the Department of Labour placed in the hands of the members of the committee a small pamphlet dealing with what had been done in other countries. This confirms what the hon. member for South-east Grey (Miss Macphail) said a few moments ago. We are lagging far behind most other countries in the world. The report published by our own Department of Labour states, among other things:

In some countries state aid took the form of granting special status to mutual aid societies, and in many cases providing financial assistance from public funds.

There is nothing in the constitution to prevent that being done.

In other lands compulsory insurance was established.

Voluntary insurance schemes have been adopted in Italy (1886), Sweden (1891), Denmark (1892), Belgium (1894), Finland (1897), France (1898), Spain (1908) and Switzerland (1911).

Compulsory insurance systems were put in force in Germany (1883), Austria (1888), Hungary (1891), Luxemburg (1901), Norway (1909), Serbia (1910), Great Britain (1911), Russia (1911) and Roumania (1912). It may be noted that systems of sickness insurance established since the war have all been compulsory in character. These include Bulgaria

(1918), Czechoslovakia (1919), Portugal (1919), Poland (1920), Japan (1922), Greece (1922), Chile (1924), Lithuania (1925) and France (1928). In Australia and South Africa commissions have been appointed to study the question and a bill providing for a system of social insurance is now before the Australian parliament. In Brazil a labour code which will contain provisions for sickness insurance is in course of preparation. In Italy a system of compulsory insurance against tuberculosis is announced as the beginning of a general scheme of sickness insurance.

This information that I give is now old; it goes back to 1928. I do not know what other countries have been doing in the last seven years; at least I have not the information at hand—I happened to have this in my file with my other papers—but all this was done over seven years ago. We in Canada during the past seven years have not moved one inch towards realizing anything of this kind, and now we are being put off by a section in the present employment insurance bill that asks a committee to study the question and secure information. It is not study that we need at the present time; it is action.

Mr. DONNELLY: In the countries my hon. friend has referred to as having sickness insurance, has any of them sickness insurance connected with unemployment insurance, or are the two subjects dealt with separately?

Mr. WOODSWORTH: In a number of countries they are closely connected.

Mr. DONNELLY: They are?

Mr. WOODSWORTH: Yes.

Mr. DONNELLY: Is any of those countries of the opinion that unemployment insurance and sickness insurance are better kept separate instead of being treated in one and the same measure?

Mr. WOODSWORTH: I cannot give that information. In Great Britain the two subjects are closely connected.

Mr. DONNELLY: Yes, and very unsatisfactorily.

Mr. HEAPS: Who says so?

Mr. WOODSWORTH: Some doctors do not like the situation in Great Britain, I know, but a great many of the workers find that it is more satisfactory than what we have in Canada.

There is one other thing. I cannot quite see why the Prime Minister should insist that parliament has jurisdiction in the matter of unemployment and not in the matter of public health. To a large extent he based his plea for unemployment insurance on the treaty of Versailles. In this same document of our own Department of Labour, from which I have already quoted, I find this note:

> The League of Nations international labour organization, at its tenth session held at Geneva in May-June, 1927, adopted two draft conventions and one resolution on the subject of sickness insurance. The first draft convention related to sickness insurance for workers in industry and commerce, and domestic servants; the second draft convention dealt with sickness insurance for agricultural workers; and the recommendation laid down general principles of sickness insurance.

If this government feels called upon to provide unemployment insurance as implementing the treaty of Versailles and to enact it under peace, order and good government, I cannot for the life of me see why it should not provide sickness insurance as well. It seems to me that while we squabble in this house year after year after year—

An hon. MEMBER: Speak for yourself.

Mr. WOODSWORTH: Somebody says, "Speak for yourself." Does he refer to me? I am speaking for myself and I believe for tens of thousands of people throughout this country who are looking to parliament to do something to relieve their distress. When representatives of the blind appeared this morning before the committee on industrial and international relations I was delighted that hon. members from all sections of this house lent a sympathetic ear to the presentation of their case. I know perfectly well that all of us in this house would like to see the blind cared for, and I know that all in this house would like to see the sick more adequately cared for. I do urge that this should not be made a mere party game.

An hon. MEMBER: It is not.

Mr. WOODSWORTH: Then if it is not a party game there must surely be some way in which we can get together to provide for the urgent needs of the people. These constitutional questions can be relegated to the background. The hon. member for Quebec East (Mr. Lapointe) laughs. I do not mean that there is no constitutional question to be dealt with, but I urge that such questions are subordinate to the urgent needs of the people.

Mr. LAPOINTE: Why should the hon. gentleman ask that the British North America Act be amended if this can be done in the way he suggests?

Mr. WOODSWORTH: We need amendments to the act because of changed conditions; but the present situation is suffi-

ciently urgent to warrant the government in taking emergency action to provide for the needs of the people, and then later we can consider what amendments should be made to the British North America Act permanently to meet the situation. But for the last six or seven years since this report was published, and for many a long year before that, we have been dilly-dallying with these questions. We had reason to hope that the government was going to take a strong line of action as indicated in the speech from the throne and in the Prime Minister's radio addresses, that something was to be done in a large way for the people of Canada, but we now find that we are to be put off with a meagre measure of this kind, and that merely a gesture is being made in regard to public health matters. I do not think parliament should be allowed to prorogue without the house insisting that something be done in the near future to meet the real and urgent needs of the people.

Mr. HOWDEN: I do not want my hon. friend from Winnipeg North Centre to leave a wrong impression with regard to medical conditions in our part of the country. He stated a little while ago that the medical conditions were appalling. Actually the conditions are not appalling. I do not believe that the people of our country, by and large certainly the people of greater Winnipeg, have ever before in the history of our country been quite so well supplied with medical services as they are at the present time. The difficulty is that the municipalities are having to pay for these services, and the municipalities are nearly all broke. As a matter of fact, the people in our part of the country at the present time are getting medical services such as they never had before. It is the doctors that are getting the worst of it. It is true that we had a near medical strike in Winnipeg. When the depression set in, the medical men of our part of the country were expected year after year to care for indigent people who had not a cent in the world to pay for their services. Eventually the time came when the doctors themselves were faced with the problem of bread and butter, and they had to strike or starve. So they did strike. And now, Mr. Chairman, the condition is this, that we get very small fees in Winnipeg, so small that I hesitate to state them, and it is quite unnecessary to do so at the present time. But I will go so far as to state with regard to these fees that from the several municipalities in what we call Greater Winnipeg no medical man can receive more than $100 a month. He may be doing two or three or five hundred dollars' worth of work for the joint municipalities of Greater Winnipeg, but he cannot collect for that work more than one hundred dollars a month. If a medical man's work consists largely in practice among people on relief, that is the amount of his income; and by the time he pays for his automobile upkeep, telephone, office expenditures and what not, it does not leave him with a very fat living. But let me say that there is not a person in our part of the country at the present time who cannot get medical attention. We have a hospital by-law whereby persons who require hospitalization can go to the hospital and the municipality has to pay that bill also. The difficulty is not with the people; they are getting very good medical attention now. But we need assistance for our municipalities and provinces, and I want to set that matter straight. What the Prime Minister has said with regard to the people is true. Starvation is a fine cure for many maladies in this life. It has been said by one scientist that most men dig their grave with their teeth, and that is true; and with the restricted diet which people at large have had for some time they have fortunately enjoyed a greater degree of health.

I do not believe that the criticism that has taken place to-night has anything to do with the matters that we have been discussing lately; it has been merely levelled at part IV of the bill, which seems useless and of no avail.

Mr. SPENCER: The hon. member who has just taken his seat took exception to the statement of the hon. member for Winnipeg North Centre, that conditions were appalling; but I think his words substantiate that statement, because he said that the doctors, of whom there must be several hundreds in Winnipeg, had either to strike or to starve. If that is true then I certainly think my hon. friend from Winnipeg North Centre was right in describing the situation as appalling. The doctors do not decide to go on strike until things are in very bad shape indeed, and there are thousands of people who, rather than take relief or be unable to pay bills they may incur, put off until the last minute a visit to the doctor. May I remind the commitee that for many years the fee paid a country doctor—it may be less now—was at the rate of $1 per mile, and if a doctor went fifteen miles the fee was $30. If he went to several patients on the same journey a similar fee was put in for each. I do not say that every doctor did that, but at any rate these fees cannot be paid by the people. If the doctors do go on strike—and I cannot blame them if

they do—and the expenses are met by the municipalities, it means that the municipalities get further into debt; and as my hon. friend has just said, the municipalities can no longer meet the situation. I do think that my hon. friend from Winnipeg North Centre was right when he said that conditions were appalling. The Prime Minister has told the committee that the departments of health will be consulted and that, if they are willing to cooperate, something will be done, I hope no time will be lost getting the provinces together so that some action can be taken during the present session.

Mr. MITCHELL: I asked the question that started this discussion, and I was interested in the observations of a worthy doctor from one of the Winnipeg constituencies. The greatest problem at the moment is not the provision of medical care but the cost. After all—and I say this in a kindly spirit—the doctors are suffering largely for their sins, and I mean the lack of organization and the high fees charged to those people who make an effort to pay their way. I do not say that for the purpose of being critical; I say it because it comes from my practical experience as a governor for many years of the municipal hospitals in my city. The medical profession stands in the same relationship to the community as did the schools fifty years ago. They are more or less in a state of anarchy, and those who feel that a scheme of this description can be launched over night are simply kidding themselves; we might as well be frank about it. First of all we have to get the medical profession down to earth; they must tell us which way they are going. You cannot boss the doctors around though you can persuade them. I remember the great difficulty they experienced in Great Britain in connection with the panel scheme and the launching of a system of health insurance. The doctors put up opposition to the scheme and threatened to strike against the government because of the low figure at which the panel rates were fixed; but when the scheme was in practical application the greatest defenders of health insurance were the doctors themselves. As a matter of fact the medical practitioners there in the last three months have affiliated themselves with the trade union congress.

I believe that the doctors can do really constructive work in connection with this scheme, using their influence with the provincial and federal governments with a view to setting in motion a system of national health insurance. In my opinion they are the keystone of the arch, and if nothing else has been accomplished to-night we have had the crystallization of the views of the Canadian people's representatives on this question. My hon. friend spoke about the doctors doing $400 or $500 worth of work and receiving only $100 for it. Well, I think it is fair to say that if you get fifty per cent of your bills in the most prosperous times you are not doing so badly. Consider the question of major and minor operations. The average working man who tries to pay his way in this country finds, when he or a member of his family is faced with a major operation, it is almost like buying a house.

Mr. HOWDEN: When I spoke about medical men doing $400 and $500 worth of work at the present time, I was speaking of the reduced fees they now receive—$10 and $15 for a major operation and 50 cents for a call.

Mr. MITCHELL: I wish they were down to that figure in my town; I am speaking from practical experience. My hon. friend knows as well as I do that an operation for appendicitis costs around $150.

Mr. HOWDEN: Fifteen dollars to-day.

Mr. MITCHELL: That is about all it is worth. I do not know of any man in Canada who can earn $15 in twenty minutes. I do not say this in any spirit of criticism of the profession, because in my opinion they have made a distinct contribution to the life of the nation. And they have probably suffered more than any of the professional class in Canada through the depression. If this depression will only get people to realize that it is better to have a sound system of health insurance than the condition that exists now, then something useful will have come out of this troubled time. I believe this is a fair thing to say: public ward patients—and I am speaking of my own city—get the best attention; they have a better chance than some of the other patients of coming out of the front door, I might say, than the back one, because the best surgeons in the city are on the staffs of our hospitals, and a public ward patient does not get an operation unless it is needed.

Some hon. MEMBERS: Oh, oh.

Mr. MITCHELL: I may be telling tales out of school. I was in England last year for the first time in twenty-five years with the exception of the war. I always had the opinion the British led the world in medicine, surgery and hospitals, but I think they are a long way behind us. I believe our equipment and even our doctors themselves are the

equal of the best in Europe, and I had an opportunity of looking over some of the largest hospitals in the city of London, the county and also on the continent of Europe. But I am wandering from the point. What I am most concerned about is this: whether the doctors like this or not, I believe in the next six years we shall have a system of health insurance in this country. This depression has taught them a lesson. It is absolutely unsound that the state should spend the tens of thousands of dollars it does in the education of a medical student and that he should spend thousands of dollars for the first fifteen years of his practice sitting in his office waiting for patients to come along. The most practical approach to the problem is to give the great masses of the people an opportunity to avail themselves of medical and surgical attention under a scheme of national health insurance divorced from the enormous charges—and I am not saying that in a spirit of criticism of the doctors, because this is a product of the system—that prevail for medical attention at the present time. I would like to see a couple of decent teeth put into part IV so as to give this commission power to launch a scheme of that description in cooperation with the provinces and other interested organizations in connection with this legislation.

Mr. GERSHAW: First of all I would like to tell the hon. member for Battle River that a doctor charges his mileage for one way and makes many trips when he does not get the fifteen dollars. Moreover, the doctor who brings a patient through a major operation and gives him the attention he deserves has rendered a service that cannot be paid for by fifteen dollars, as the hon. member for East Hamilton has intimated.

Mr. SPOTTON: What if the patient dies?

Mr. GERSHAW: The Prime Minister mentioned that the average expectation of life had been very greatly increased. It has been increased from around forty years to fifty-eight years, but the increase has been very largely due to better conditions of living and a lessened infant mortality. The stress, strain and worry of these trying years seems to have had a bad effect upon heart and allied conditions, so that sudden deaths from such causes have greatly increased. Money that is well spent for the health of the people certainly brings greater and richer rewards than money spent for any other purpose.

In connection with health insurance Alberta has taken a forward step. The provincial authorities have gathered a great deal of information and are about to set up one or two trial districts in which what is really a state medicine experiment may be tried out. It is valuable to assemble that information, to make sure of the steps that are being taken, and thus work out a system that will endure. The only way in which that can be done is by taking steps gradually, and at the present time much more information is needed before a satisfactory system could be launched. At the same time I would like to stress the need for legislation of this kind and for making progress as rapidly as we safely can.

Mr. SPENCER: The hon. member for Medicine Hat mentioned my name in reference to the statement I made. The figures I gave as to medical charges were genuine, and I trust similar charges are not made by all doctors. I have seen bills where a mile each way has been charged for, and where more than one patient was visited on the same journey. The doctor who did this is now practising in Edmonton. I sincerely trust other doctors are not charging as high a fee.

Mr. MACKENZIE (Vancouver): Would the commission be prepared to cooperate with one province in which legislation has been drafted or would it wait until conditions are as nearly uniform as possible in all the provinces?

Mr. BENNETT: I shall answer the hon. gentleman's question as I proceed. The debate that has taken place on this clause, although it has traversed far beyond the scope of the matter covered by it, has narrowed itself down to a very simple question. I am surprised at the violence of the language used by the hon. member for Winnipeg North Centre. The question is a very simple one: Shall parliament provide money to enable municipalities, cities and towns, rural and otherwise, to carry out their plans with respect to health and health insurance? The hon. member for St. Boniface was quite frank about the matter. He says: The service is now being rendered. Probably there is in this country no class that has rendered greater service to individual citizens during the hard years through which we have passed and who have received less compensation for their work than has the medical profession. There is no doubt about that. The problem is a simple one; stripped of everything and without this violence of language it narrows down to this: Shall the parliament of Canada provide the money to enable the municipalities to carry out the services mentioned by the hon. gentleman? All the elaboration

that can be made does not change that question. The Liberal party—and I agree it is unfortunate that party language was used as it was with respect to that phase of the matter—said: We do not believe in giving money to people to spend that do not raise it by taxation.

Mr. MACKENZIE KING: I consider it is not a right principle.

Mr. BENNETT: As a question of interest it is good; as a question of principle it is bad. John P. Robinson said: Interest is good enough for me. But this is the real issue: you cannot to-night with all the power in the world scrap the provincial services and impose upon them a federal service without the loss of millions of dollars. That is as clear as anything can be. The difference between a national scheme and a provincial scheme at the present time is a very simple one; the hon. member for Vancouver Centre realizes that. The provinces have gone ahead and exercised their jurisdiction with respect to public health, hospitalization and so on; they have built in every part of the dominion plants of great value, have expended millions of dollars on them. How are you to impose on them a national scheme and leave them as they are? Are you to have two schemes or one? Are you to scrap one and maintain the other?

Mr. MACKENZIE (Vancouver): Correlate them.

Mr. BENNETT: But this talk about correlation has been going on for a long time. The provinces have things in being as distinguished from things that are not in being, and as long as the provinces have an existing plan which is functioning they are not willing to surrender it to the federal power. That has been one of the great difficulties in our country. Referring to conferences, I have had the privilege of talking to representatives of all the provinces during the last four years. One province says, "No scheme that can be devised by the wit of man is as good as that which we have in this province for looking after the health of our people." The taxpayers have been paying for it, but now, because the taxpayers cannot provide as they did, they say; Give us some money. That however, is not the theory of a policy of national health or health insurance. It is not the basis of it; it is not the foundation of it. In this bill we have a national scheme of unemployment insurance; it is competent for us to attach to it a national scheme of health insurance qua those who are covered by it, and that is what these provisions are for.

Mr. MACKENZIE KING: That is no national scheme.

Mr. BENNETT: It is a national scheme of unemployment insurance. Two million people out of a population of ten and a half millions may be affected by it.

Mr. MACKENZIE KING: What is the outline of the scheme?

Mr. BENNETT: I see what the right hon. gentleman means. The scheme is not set forth here. This is to get the foundation upon which to lay a scheme, because the provinces have proceeded on the assumption that they are going to conduct this business in their own way. I have investigated the operations of every province in this confederation, and I know no single province that is prepared to say it is willing to forego its position. In British Columbia they have a statutory provision—

Mr. SPENCER: And in Alberta.

Mr. BENNETT: Well, in Alberta it is of a limited character, applying, I think only to districts. I may be wrong in that. In British Columbia the proposals were for the whole province; that at least is my understanding. Now we say we are going to introduce a scheme which will be an aid to the health of the people of this country. If on the basis of this measure we are able to make an appropriation to enable the commission to care for the health of those who are insured, we shall then have the commission that is so caring for them directly responsible to this parliament. But a national scheme that merely hands money over is one to which at the moment I cannot give my support. I said that last year and the year before when we were talking about the question of grants in aid. Grants in aid are the basis of the present old age pensions; in fact we are now paying three quarters of them. Grants in aid were established in this country in connection with highways, in connection with agriculture—

An hon. MEMBER: And technical education.

Mr. BENNETT: Yes, although technical education was on a somewhat different basis, because in our constitution there is concurrent jurisdiction respecting education. Having elaborated at great length the system that now exists, the provinces say: Let us deal with this—how? No suggestion of any way except the handing out of money. This bill contemplates something different—a scheme based upon exact information applied

to exact facts, that is, information supplied as to the two million people who may be affected by this bill, to lay the foundation upon which may be predicated—

Mr. MACKENZIE (Vancouver): Where does it say that?

Mr. BENNETT: As I said an hour ago, all this bill does is to enable the commission to gather the information.

Mr. MACKENZIE KING: It is the foundation, the part that is underground; it cannot be seen.

Mr. BENNETT: The foundation is here; the superstructure will appear in the estimates. That is the way this matter will be dealt with. That is the reason I suggest to the committee that this is an extremely valuable provision, providing for aid in respect to the health of the people of this country. But as the hon. gentleman for East Hamilton said, you cannot do this by just jumping at it and saying: this is the way to do it. You must take cognizance of the fact that each of the provinces, except possibly one, has established a most complete system of care of public health, and some have established health insurance schemes. We propose to deal with it on a national basis in the manner I have indicated.

Mr. WOODSWORTH: I must say just a word, since the Prime Minister has undertaken to reprove me for using violent language—

Mr. BENNETT: Far from it.

Mr. WOODSWORTH: I did not consider my language violent, but I hope I can use strong terms to describe what I believe to be the actual situation. The hon. member for St. Boniface was inclined to think all in need of medical assistance were being dealt with. I have not intended to make any attack on the doctors; I think they have given valuable service, but I would say to him that all people in need of medical service are not by any means being dealt with, not by any means.

Mr. HOWDEN: They have only to apply.

Mr. WOODSWORTH: No, much more than that. I have not been in social work in my own city of Winnipeg for many years and travelled throughout the west for the last twenty years without being made acutely conscious of the very serious situation that exists. People who have considered themselves independent frequently put off seeking medical assistance simply because they cannot pay for it. I know scores of such cases. It is these people who are perhaps in the most needy position to-day. The service that they need is not being given. I had a case the other day, not in connection with a medical doctor but a dentist, of a boy who needed a tooth fixed; the regular charge was $65. I submit that charges of that kind cannot possibly be paid by the ordinary people of this country.

Mr. MOORE (Châteauguay): They do not have to be.

Mr. WOODSWORTH: I am just giving a particular case of which I happen to know, and that was the regular charge.

Mr. MOORE (Châteauguay): Find other dentists who would not charge $65.

Mr. WOODSWORTH: It may be possible; I have heard of cut-rate dentists. But I am not discussing medical or dental fees, I desire only to point out that a great many people are in need of medical care who might be looked after by a proper health insurance scheme. The Prime Minister rather implied that I want to scrap the provincial schemes. Nothing is further from my mind. I think the provincial schemes will have to be dealt with, just as I think the constitutional question will have to be dealt with. But these are minor matters compared with the primary responsibility of caring for the needs of the people. I quite agree that at its basis it is a financial matter, for the individual and for the municipalities that have to provide relief. But we have the source of financial strength here in the dominion government, and I think we have suggested one means by which the finances could be provided. My hon. friend from North Winnipeg suggested grants in aid. I do not think there are any provinces which would refuse to accept grants in aid. If any were wealthy enough to refuse it, or if their idea of their constitutional rights was so high as to lead them to decline the grant in aid, such a province need not be included, but the rest of us are sorely in need of something of this kind. The point I tried to emphasize before and that I must continue to emphasize is that there is a very large number of our people who to-day are in sore need of medical attention but who cannot obtain it. I think it is a distinct responsibility of this government to provide more adequately for the health of the people of Canada.

Section agreed to.

Sections 40, 41 and 42 agreed to.

On section 43—Annual report by commission.

Mr. BENNETT: I think section 42 sufficiently meets the difficulty raised this afternoon by the hon. member for Vancouver Centre. If it does not we shall be glad to make it conform to what the committee thinks desirable, but it provides for the regulations being printed and then laid on the table of parliament.

Section agreed to.

On section 44—Reports transmitted through the minister to the governor in council.

Mr. BENNETT: That answers the question the right hon. gentleman asked some days ago as to the report being laid before parliament.

Section agreed to.

Section 45 agreed to.

On section 46—Repeal.

Mr. MACKENZIE (Vancouver): Why the optional word "may" in this section?

Mr. BENNETT: That is the term always used with respect to a proclamation by the governor in council.

Section agreed to.

Section 47 (as printed; now section 46) agreed to.

On section 48 (as printed; now section 47)—Act to become operative.

Mr. MACKENZIE KING: Mr. Chairman, this is the last section. I have an amendment I should like to suggest to this section, but I think it would be preferable to carry the few sections that have been allowed to stand before dealing with section 48, unless my right hon. friend feels differently. Three or four sections have been held over; perhaps it would be better if they could be dealt with before we take up the last section.

Mr. BENNETT: Then the last section will stand until we have dealt with the other sections that are standing.

Section stands.

On schedule 1—Part I.

Mr. BENNETT: Are there any questions arising out of the schedules? I think they have been discussed during the progress of the general discussion.

Mr. HEAPS: There is one question I should like the Prime Minister to answer if he can. On more than one occasion he has stated in this house that approximately 1,700,000 people would come under the provisions of the act.

Mr. BENNETT: That is the estimate.

Mr. HEAPS: This evening the Prime Minister stated on several occasions that approximately two million persons would be affected by the health insurance proposals. I should like to know if the Prime Minister has more definite information that he can give the committee as to the number of persons employed in industry who will qualify and become insurable under the provisions of the present statute.

Mr. BENNETT: I have already given the information based upon the census, and the computations of the actuaries are based upon the census. In the curves of their computations the actuaries have made allowance for the number of wage earners now employed and that have been employed in Canada.

The hon. member for Gloucester asked me to obtain from the Dominion Bureau of Statistics information as to the number of wage earners in 1932, 1933 and 1934. The figures supplied to me are as follows:

1932	2,476,724
1933	2,452,976
1934	2,578,204

The average number not working some time, as far as ascertainable, was:

1932	664,859
1933	710,190
1934	575,371

The average number with no job, according to the department's figures, was as follows:

1932	571,759
1933	610,763
1934	502,819

The other day, reading from the report made by Mr. Cudmore, I gave the house the figure of 400,000. That date was as of December 1, 1934, while the average number without jobs is as of June 1 for the years in question, so the figure on June 1 was 502,819 and on December 1 the estimate of the department, on the information before it, was 400,000. That is the information supplied.

Mr. VENIOT: Would the Prime Minister give the figures in regard to the number of workers?

Mr. BENNETT: The hon. gentleman also asked me to obtain the number of workers affected by the bill. Those are given me as follows:

1932	1,733,707
1933	1,717,083
1934	1,804,743

That is applying the census figures to the known figures for those years. The figure of 2,000,000, which I mentioned as the number of workers affected, had reference to 1935. According to the department's figures the average number not working was as follows:

1932	465,401
1933	497,133
1934	402,760

Mr. VENIOT: I wish to direct the attention of the Prime Minister to what appears to be a discrepancy. The number of workers who would have been affected by this bill in 1929 is given as 1,848,493, while that same figure for 1934 is given as 1,804,743. That seems to be a discrepancy.

Mr. BENNETT: That is right.

Mr. VENIOT: There was no unemployment to speak of in 1929.

Mr. BENNETT: Yes, there was.

Mr. VENIOT: Very little; the best estimate was about 117,000. The number affected by this bill in 1930 would have been 1,874,981, but for 1934 the number is given as 1,804,743.

Mr. BENNETT: I supplied the hon. gentleman with the exact figures furnished me by the department of statistics. I think if he would allow for the increase in population he would find the explanation. The number of workers that would be affected by this bill is usually about seventy per cent of the whole.

Mr. VENIOT: I am not attempting to suggest the Prime Minister is giving anything but what has been handed to him by certain authorities. I know however that in 1928 there were 1,691,719 workers who would be affected by this insurance bill. In 1934, a year of great depression. there was 1,804,743; or nearly 200,000 more affected than in the year 1926, which was one of prosperity.

Mr. BENNETT: That is perfectly true.

Mr. VENIOT: It is true according to those figures, but it cannot be true in fact. There was no depression in 1928.

Mr. BENNETT: Of course the hon. member knows that seasonably there are large numbers of unemployed all the time, in this country. There never has been a time, and I do not suppose there ever will be a time, when that will not be so. The figures supplied by the department are the numbers which will be affected on the basis of the 1931 census, and the information supplied by industrial undertakings reported indicate the number of workers would be 1,733,707 in 1932, whereas in 1933 it had fallen to 1,717,083. Reports from industrial reporting firms indicated much larger numbers of employed, at one time nearly 200,000 more. The figures furnished in this statement signed by the dominion statistician show the figure 1,804,743 for the year 1934.

Mr. VENIOT: Let me draw the attention of the Prime Minister to another point. He mentioned that there are large numbers of unemployed at all times. If he will look at the census returns he will find the census commissioner reported that over a period of ten or fifteen years the annual unemployment never exceeded 140,000 in number. He added that it was generally to be found that the greater proportion of the unemployed were people who were not asking for work and did not want work. The number cannot be as large as mentioned by the Prime Minister when the census return shows that over a period of ten or fifteen years the largest number has been only 114,000.

Mr. BENNETT: I can say only this, that the question put the other evening by the hon. member was submitted to the department. I believe the answers are as correct as they can be made; I believe they are accurate.

Mr. VENIOT: I do not believe they are.

Mr. MACKENZIE KING: I believe the committee is anxious to conclude the discussion of the several clauses of the bill. The Prime Minister has been kind enough to say he would at my suggestion allow the last section to stand. On reflection I believe it would perhaps better suit the convenience of the committee were I to move the intended amendment now. It is one I hope my right hon. friend may perhaps be ready to accept. Mr. Chairman, would you call section 48?

Mr. BENNETT: It stands; it has been called.

Mr. MACKENZIE KING: Then I shall move the amendment now. As it stands the section reads:

This act shall come into force when assented to: Provided that no contribution shall be payable or paid under the provisions of part III of this act until a date to be set by the commission of which due notice shall be published in the Canada Gazette and in such other manner as the commission may deem necessary.

The amendment I now move, seconded by the hon. member for Quebec East (Mr. Lapointe) is:

That the first line of section 48 of the bill be struck out and the following substituted 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.

My reason for submitting the amendment is this: While the Prime Minister has intimated that in his own mind he is quite confident the measure is intra vires of this parliament, nevertheless he has come to that opinion only within the last few months. I believe I am right when I state that for years past he has held a different opinion. It is not surprising therefore if many of us are in grave doubt as to the competence of parliament's jurisdiction in the matter, and if we have doubts people throughout the country will have equal doubts. A few days ago when I asked the Prime Minister if he had obtained an opinion from the supreme court he replied that he felt the supreme court did not wish to give an opinion on a matter which was not concretely before it. The position now is that in the course of a day or two this bill will have passed the House of Commons and will be sent to the Senate where quite possibly it may be quickly passed. The Prime Minister intimated he thought the lion was out of the path so far as the Senate was concerned.

Mr. BENNETT: I said it was in my right hon. friend's time; I cannot say as to now.

Mr. MACKENZIE KING: I feel the right hon. gentleman knows he has no lions over there which will be in the way. Quite probably the measure will pass quickly through the Senate. In these circumstances I submit the Prime Minister would find it possible to obtain thereafter immediate assent to the measure, after which it could be immediately sent to the supreme court and the opinion of that body obtained even before the prorogation or dissolution of parliament. If I thought the suggested amendment would occasion any delay in bringing the legislation into effect, in the event of its being intra vires, I would not suggest the amendment. I am convinced however that my suggestion should not occasion any delay, and I do believe, assuming the legislation to be intra vires, very serious prejudice of its provisions would be thereby prevented. Unquestionably in the minds of the people throughout the country when the measure is assented to there will remain a grave doubt as to its validity. The provinces will have doubts, employers and employees will have doubts, and when my right hon. friend proceeds to provide the necessary machinery a critical situation may arise. He said the number of employees would exceed 4,000—

Mr. BENNETT: No, I said I did not know.

Mr. MACKENZIE KING: I thought 4,000 was his estimate. I put it at between 5,000 and 10,000.

Mr. BENNETT: That was the estimate of the hon. member for Vancouver-Burrard.

Mr. MACKENZIE KING: I think it is generally conceded that sooner or later this measure will come before the courts for a decision respecting its validity. Should it be declared ultra vires, and the machinery meanwhile were set up with appointments of four or five thousand people made, and all were on a sudden to find themselves without a position, the results would be to say the least unfortunate. It would have, too, a bad effect upon the beneficiaries, the people paying into the fund, and upon the position of industry generally. In these unsettled times, if any further note of uncertainty is thrown into the situation existing between employers and employees, and if any further difficulty is added by way of ascertaining where they stand and what will be expected of them by way of additional taxation and additional burdens to the industries with which they are connected, the situation will be made very serious indeed. It is to avoid the possibility of anything of that nature that I offer the amendment in the hope that my right hon. friend will see his way clear to accept it.

Mr. BENNETT: Mr. Chairman, I am sorry I cannot accept the amendment. Section 48 is drawn in its present terms to meet in part the situation to which the right hon. gentleman has directed attention. The commission is to be appointed and the act will at once go into operation. But no contributions shall be levied on either the employees, the employers or the state until such time as the commission concludes that it is desirable to bring part III of the act into force. After listening to the debate which has taken place in the house and in committee I should think it would be extremely difficult for anyone to suggest that this measure would be within the legislative jurisdiction of any of the provinces. If it is ultra vires of a province it must be intra vires of the dominion, without going any further into the matter. So far as making a reference to the court is concerned, I believe that is highly objectionable. In the Scott act case, so called, the act went into force, and there was a prosecution before a police magistrate of a man named Russell in the city of Fredericton which en-

abled the case ultimately to reach the privy council for decision. It has been so often said that the opinion of the court with respect to the validity of an act is no better than the opinion of the law officers of the crown, but if a concrete case is raised by some person declining to make a contribution and the provisions of the act are brought into force, and the magistrate or court before whom the case is tried decides that the defendant is justified in not paying, the case with all the evidence that may be given as to the surrounding facts will be before the tribunal for adjudication; in other words, a concrete case, and not a number of pages of a statute. It is quite clear that facts must influence law.

Many hon. gentlemen to-night have referred to the question of emergency. It will be recalled what Lord Haldane said with respect to the power of this parliament in dealing with emergencies, that it had powers which under ordinary circumstances it had not at all. The milk case in British Columbia arises out of a definite and distinct case in which the facts would be placed in evidence. One of the factors that I would propose, if I were conducting a case brought under this act, to put in evidence, and which could not be put in evidence otherwise, would be that parliament unanimously voted for the second reading of this bill. That is a fact of great importance in determining its position because it indicates clearly the national character of the legislation. There are other factors to which attention might well be directed and which would be forthcoming under any instructions from the law officers of the crown. I therefore cannot consent to theories being tested by the court. What will be tested will be the concrete operations of this statute.

Amendment (Mr. Mackenzie King) negatived: Yeas, 21; Nays, 56.

Section 48 agreed to.

On the schedules.

First schedule, Part I, agreed to.

On part II—Excepted employments.

Mr. BENNETT: I think we have discused part II, but if there is any one question to which attention has been directed I shall be glad to see that it stands for consideration.

Mr. VENIOT: I may be a little dull of comprehension, or perhaps it was because of the noise in the chamber that I did not catch the explanation of the Prime Minister on one point. I should like to know how long has a man coming under this act to pay contributions before he is entitled to any benefits whatever?

Mr. BENNETT: Forty payments in two years.

Mr. VENIOT: And only after the expiration of two years does he become entitled to receive benefits?

Mr. BENNETT: No, after the payment of forty contributions, but he is allowed two years in which to make them.

Mr. VENIOT: Oh yes, I see.

Mr. BENNETT: He might make forty payments in forty-five weeks.

Mr. VENIOT: I understand.

Mr. HEAPS: In a certain part of the bill it is provided that a man has to be out of work nine days before he is entitled to benefits. Is that nine consecutive days or nine working days?

Mr. BENNETT: I think I explained that it was nine working days.

Mr. HEAPS: I do not think the bill says anything more than nine days.

Mr. BENNETT: It defines that. That section with respect to three days and three days stands. I shall come back to that when we get through with the schedules and also to one other section on which a question was raised by the hon. member for Swift Current.

Mr. MORAND: May I ask what constitutes a full week's work for the purpose of contributions?

Mr. BENNETT: That is the section to which I referred the other day in answer to the hon. member for North Winnipeg and which I am going to discuss at some length because there might be some ambiguity with respect to working three days and missing three. I promised that that ambiguity would be entirely removed from the bill.

Mr. HANBURY: I wish again to call the Prime Minister's attention to representations that have been made by myself and many other members of the house with respect to employees in banking, insurance and similar classifications.

Mr. BENNETT: What similar classifications?

Mr. HANBURY: I have representations with respect to the building and construction

trade as being a seasonal trade, the workers of which should be included in the operation of this act. I wish to place that on record before the Prime Minister.

Mr. WOODSWORTH: I do wish to protest against the large number of classes of workers who are excepted under Part II. The Prime Minister a few moments ago called this a national unemployment measure, yet although agriculture is one of our basic industries it is being left entirely out. A large number of employees in agriculture drift back from the city to the country when there is work to be done on the farm. The old days are gone when there was one class of hired men who devoted themselves entirely to agriculture, and a great many of these workers now spend part of their time in the city and part in the country, or on construction work. It seems to me that this is one of the most needy classes of people and ought not to be left out. The same may be said of these other groups that are excepted, such as fishing, lumbering and logging; these are people who really need the benefits of unemployment insurance. I know perfectly well that lumbering and logging are by their very nature more or less casual. Possibly the risks are not so good, but at least these men should be given the opportunity of contributing to such a scheme. They could then draw out in proportion to what they had paid in. It seems to me that that would tend to stabilize such industries. It is a very serious matter that these men should be left entirely out of the scheme. I have had representations in this regard from logging and lumbering workers out on the coast. Further, I do not know just what is meant by employment in transportation by water or by air, and by stevedoring. That might leave out entirely all engaged in the shipping industry. What about the people in the railway shops? Are they included or not? That is not clear to me. Certainly the shop men are engaged in the transportation service and ought to be included in this scheme.

Mr. NEILL: Transportation by water, it is.

Mr. BENNETT: I am sure it does not include railways.

Mr. WOODSWORTH: I am very glad indeed. Take stevedoring too; that again is one of the most casual of our occupations. The Prime Minister will remember that in England a good many years ago it was very largely regularized. It seems to me that the institution of unemployment insurance would go a long way towards regularizing it in our ports to-day. And then the women workers: surely those engaged in domestic service and nurses ought to be included in a scheme of this kind. I cannot see any reason why they should be left out. I should like to have the Prime Minister tell us, one by one, with regard to at least these four or five categories why these classes of workers have been left out of his plan.

Mr. VALLANCE: Speaking about agricultural labourers, how many men would you get, after they had made forty payments for two years and received $26 a month, who would go back to the farm?

Mr. WOODSWORTH: I pointed out that a great many people are not engaged solely in agriculture but spend part of their time at other work in the cities.

Mr. VALLANCE: What about the one who is engaged in agriculture, the labourer engaged all the time? Once he maks his forty payments for two years, will he retire for the rest of the time on $26 a month?

Mr. BENNETT: Oh, no. I move, Mr. Chairman, that the committee rise, report progress and ask leave to sit again. I shall later endeavour to answer the hon. gentleman's question.

Progress reported.

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

END OF VOLUME I.